

*Formal Agenda
November 12, 2019
Referrals*

**PLANNING AND
ECONOMIC
DEVELOPMENT
STANDING
COMMITTEE**

**OFFICE OF CONTRACTING
AND PROCUREMENT**

November 7, 2019

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6002460 100% Federal Funding – To Provide Consulting and Assistance to HRD with Preparation of its 2020-2024 Consolidated Plan (Con Plan), and Renewal of its Neighborhood Revitalization Strategy Area (NRSA) Application. – Contractor: Corporate F.A.C.T.S. Inc. – Location: 51248 Plymouth Valley Drive, Plymouth, MI 48170 – Contract Period: Upon City Council Approval through November 11, 2021 – Total Contract Amount: \$75,000.00 **HOUSING AND REVITALIZATION**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER **TATE**

RESOLVED, that Contract No. 6002460 referred to in the foregoing communication dated November 7, 2019, be hereby and is approved.

**OFFICE OF CONTRACTING
AND PROCUREMENT**

November 7, 2019

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6002551 100% City Funding – To Provide Assistance to Private Companies and Organizations as may enable them to locate or relocate within the City of Detroit; and Assist the City in the Marketing of City Owned Land available for Economic Development. – Contractor: Economic Development Corporation Of The City of Detroit – Location: 500 Griswold, Ste. 2200, Detroit, MI 48226 – Contract Period: Upon City Council Approval through June 30, 2020 – Total Contract Amount: \$275,000.00 **HOUSING AND REVITALIZATION**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER **TATE**

RESOLVED, that Contract No. 6002551 referred to in the foregoing communication dated November 7, 2019, be hereby and is approved.

RESOLVED, that Contract No. 6002502 referred to in the foregoing communication dated November 7, 2019, be hereby and is approved.



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November 1, 2019

Detroit City Council
2 Woodward Ave, Ste. 1340
Detroit, MI 48226

RE: Request to Revise Prior Resolution

The Housing & Revitalization Department (“HRD”) is hereby requesting the authorization of your Honorable Body to amend a prior resolution passed by this Honorable Body on November 21, 2017, which, among other things, approved the acquisition of certain Exchange-Eligible Homes by the City as part of HRD’s Bridging Neighborhoods Program (“BNP”). BNP desires to amend the list of Exchange-Eligible Homes that was attached to the 2017 resolution to add six (6) properties that were inadvertently omitted from that list.

I appreciate your assistance in making this possible, and am available at your convenience to discuss this request.

Respectfully submitted,

Heather Zygmuntowicz
Director
Bridging Neighborhoods Program
heatherz@detroitmi.gov

cc: A. Jemison (Mayor’s Office)
S. Washington (Mayor’s Office)
T. Hauck Leonard (Law)

2019/11/01 10:00 AM - 10:00 AM

By Council Member _____

WHEREAS, the Detroit City Council has adopted that certain resolution on November 21, 2017 (the “Prior Resolution”), that, among other things, approved the acquisition by the City of certain Exchange-Eligible Homes as part of the Housing and Revitalization Department’s Bridging Neighborhoods Program (the “Program”); and

WHEREAS, the Program wishes to amend the list of Exchange-Eligible Homes approved for acquisition by the Prior Resolution to include six (6) properties that were inadvertently omitted from such list;

NOW, THEREFORE BE IT

RESOLVED, that the Detroit City Council hereby approves the amendment of the list of Exchange-Eligible Homes approved for acquisition by the City by the Prior Resolution to include those six (6) homes listed on Exhibit A attached hereto.

(See Attached Exhibit A)



November 6, 2019

Honorable City Council
City of Detroit
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

Re: 511 Woodward Brownfield Redevelopment Plan

Dear Honorable Council Members:

The enclosed Brownfield Plan for the 511 Woodward Redevelopment Project (the "Plan") (Exhibit A), was submitted by the Detroit Brownfield Redevelopment Authority Board (the "DBRA") and to the Community Advisory Committee (the "CAC"). The Plan was considered and reviewed by the CAC at its October 30, 2019 meeting and a public hearing was held by the DBRA on November 4, 2019 to solicit public comments. The Committee's communication to the City Council and the DBRA, dated October 30, 2019 (Exhibit B), recommending approval of the Plan, including the excerpt of the minutes of the CAC meeting pertaining to the plan and the minutes the public hearing held by the DBRA, are enclosed for the City Council's consideration.

On November 6, 2019, the DBRA adopted a resolution (Exhibit C) approving the Plan and authorizing the submission of a copy of its resolution and the Plan to the City Clerk, together with a request that the Detroit City Council call a public hearing concerning the Plan and to take all other actions to approve the Plan in accordance with Act 381.

The Plan is now presented to the City Council for approval. The Detroit City Council will, after publication of the notices, hold a public hearing on the Plan. After the public hearing, the City Council shall determine whether the Plan constitutes a public purpose and, if so, may approve or reject the Plan or approve it with modifications.

Project Introduction

ICONIC 511, LLC is the project developer (the "Developer") for the Plan which involves the rehabilitation of the vacant and obsolete building located at 511 Woodward for commercial and retail uses. The current 30,240 square foot building was constructed in 1972. The building is a four (4) story glass curtain wall building on three (3) sides with a brick and block center section over the building entry with a block and brick rear side. The building was originally occupied by various professional offices and a financial institution from 1973 until at least 2006, when the building was vacated. The building has been vacant and unutilized since 2006. The Downtown Detroit Partnership will occupy 7,584 square feet of office space in the building.

The total investment is estimated to be \$18 million. The Developer is requesting \$1,564,142.00 in TIF reimbursement.

Exhibit A

Additional Exchange-Eligible Homes

Tax Parcel ID	Property Address	Structure-Lot	Ownership	Res-NonRes
18009476	428 S Solvay	Structure	Private	Residential
18009372.002L	7430 South St.	Structure	Private	Residential
18009461-65	807 Solvay	Structure	Private	Residential
18009487	550 S. Solvay	Structure	Private	Residential
18000311.	7885 Bacon	Structure	Private	Residential
20000807	8987 Keller	Structure	Private	Residential

There will be approximately 75 temporary construction jobs and 1 FTE job related to property management. Approximately 100 new retail and office jobs are anticipated to be created by the future tenant(s) of the building.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcel located in Detroit's Central Business District, bounded by Woodward Avenue to the east, Larned Street to the south, the Guardian Building to the west, and Congress Street to the north.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be functionally obsolete and blighted as defined by Act 381.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include interior demolition, lead and asbestos abatement, infrastructure improvements, and development and preparation of brownfield plan and/or Act 381 work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Demolition (Including Lead and Asbestos Abatement)	\$597,770.00
2. Infrastructure Improvements	\$524,900.00
3. Site Preparation	\$220,063.00
4. Brownfield Plan & Work Plan Preparation	\$20,000.00
5. Contingency (15%)	\$201,410.00
Total Reimbursement to Developer	\$1,564,142.00
6. Authority Administrative Costs	\$306,759.00
7. State Brownfield Redevelopment Fund	\$191,294.00
8. Local Brownfield Revolving Fund	\$52,016.00
TOTAL Estimated Costs	\$2,114,211.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Obsolete Property Rehabilitation Act (PA 146) Abatement.

DBRA's Request

The DBRA is respectfully requesting the following actions from the City Council:

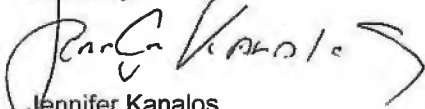
Honorable City Council

November 6, 2019

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- a.) November 12, 2019
City Council adoption of the Resolution (Exhibit D), setting the 511 Woodward Brownfield Redevelopment Plan public hearing, as approved by the Planning and Economic Development Standing Committee Chair and the City of Detroit Clerk, for November 21, 2019 at 10:30 AM in the Council Chambers, 13th Floor of the Coleman A. Young Municipal Center, located at 2 Woodward Avenue, Detroit, Michigan.
- b.) November 21, 2019, 10:25 AM
Discussion with taxing jurisdictions regarding the fiscal impact of the Plan.
- c.) November 21, 2019, 10:30 AM
Public Hearing at City Council's Planning and Economic Development Standing Committee concerning the 511 Woodward Brownfield Redevelopment Plan.
- d.) November 26, 2019
City Council adoption of the Resolution approving the 511 Woodward Brownfield Redevelopment Plan (Exhibit E).

Sincerely,



Jennifer Kanalos
Authorized Agent

- c City Clerk
Marcel Todd
Irvin Corley, Jr.
David Whitaker
Derrick Headd
Marcel Hurt
DeAndree Watson
Kevin Johnson
Malinda Jensen
Matthew Walters
Allen Rawls
Brian Vosburg
Stephanie Washington
Gail Fulton

EXHIBIT A

CITY OF DETROIT
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN FOR THE
511 WOODWARD
REDEVELOPMENT PROJECT

Prepared by:

ICONIC 511, LLC
535 Griswold, Suite 2290
Detroit, MI 48226
Contact Person: Zaid Elia
Phone:

Renovare Development
42 Watson, Suite B
Detroit, MI 48201
Contact Person: Jill Ferrari
Phone: 313-348-7236

October 22, 2019

**CITY OF DETROIT
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN**

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I. INTRODUCTION

In order to promote the revitalization of environmentally distressed and blighted areas within the boundaries of the City of Detroit, Michigan (the “City”), the City has established the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) pursuant to Michigan Public Act 381 of 1996, as amended (“Act 381”).

The primary purpose of this Brownfield Plan (“Plan”) is to promote the redevelopment of and private investment in certain “brownfield” properties within the City. Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as “brownfields.” By facilitating redevelopment of brownfield properties, this Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the DBRA.

This Plan is intended to apply to the eligible property identified in this Plan and, if tax increment revenues are proposed to be captured from that eligible property, to identify and authorize the eligible activities to be funded by such tax increment revenues.

This Plan is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. A subsequent change to the identification or designation of developer after the approval of this Plan by the governing body shall not necessitate an amendment to the Plan, affect the application of this Plan to the eligible property or impair the rights available to the DBRA under this Plan. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Plan describes the project to be completed (see Attachment C) and contains all of the information required by Section 13(2) of Act 381.

II. GENERAL PROVISIONS

A. Description of the Eligible Property (Section 13 (2)(h)) and the Project

The property comprising the eligible property consists of one (1) parcel. The eligible property, commonly known as 511 Woodward Avenue, is functionally obsolete as described below. The parcels and all tangible personal property located thereon will comprise the eligible property and is collectively referred to herein as the “Property.”

Attachment A includes a site map of the Property. The Property is located in Detroit’s Central Business District, bounded by Woodward to the east, Congress to the north, Larned to the south and the Guardian Building to the west.

Parcel information is outlined below.

Address	511 Woodward
Parcel ID	02001900-9
Owner	Wayne County Land Bank
Legal Description	W WOODWARD W 30 FT OF LOTS 58 THRU 62 PLAT OF SEC 2 GOVERNOR & JUDGES PLAN L34 P549 DEEDS, W C R 2/38 270 X 30

ICONIC 511, LLC is the project developer (“Developer”). The “Dream 511” project involves the rehabilitation of the vacant and obsolete building located at 511 Woodward for commercial and retail uses (i.e. office (approximately 19,207 square feet) and retail (approximately 11,129 square feet). The current 30,240 square foot building was constructed in 1972. The building is a four (4) story glass curtain wall building on three (3) sides with a brick and block center section over the building entry with a block and brick rear side. The building was originally occupied by various professional offices and a financial institution from 1973 until at least 2006, when the building was vacated. The building has been vacant and unutilized since 2006.

ICONIC 511, LLC is currently under purchase agreement for the eligible property and intends to close in November, 2019 and begin construction immediately thereafter. Eligible activities are anticipated to be completed within 9 months of commencement. The project description provided herein is a summary of the proposed development at the time of the adoption of the Plan. The actual development may vary from the project description provided herein, without necessitating an amendment to this Plan, so long as such variations are not material and arise as a result of changes in market and/or financing conditions affecting the project and/or are related to the addition or immaterial removal of amenities to the project. All material changes, as determined by DBRA in its sole discretion, to the project description are subject to the approval of the DBRA staff and shall be consistent with the overall nature of the proposed development, its proposed public purpose, and the purposes of Act 381.

Attachment C provides a description of the project to be completed at the Property (the “Project”) and Attachment D includes letters of support for the Project.

B. Basis of Eligibility (Section 13 (2)(h) and Section 2 (o))

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be functionally obsolete and blighted as defined by Act 381.

The building’s deterioration has left it unable to be used to adequately perform the function for which it was intended due to a substantial loss in value. The requisite affidavit signed by a level 3 or level 4 assessor certifying the assessor’s expert opinion that the Property is functionally obsolete shall be provided by Developer to the DBRA. Further description of its eligibility is outlined below.

- Mechanical and electrical systems must be replaced.
- The elevators must be brought up to code.
- Interior finishes have been stripped.
- Life safety systems (smoke detectors, fire alarm systems, exit signs and fire sprinklers) must be installed.
- A new security system must be installed.
- The windows must be rehabilitated or replaced.
- The entire roof must be replaced.

C. Summary of Eligible Activities and Description of Costs (Section 13 (2)(a),(b))

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Section 2 of Act 381, because they include interior demolition and lead and asbestos abatement, infrastructure improvements, site preparation, development and preparation of brownfield plan and 381 work plan.

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the Property are shown in the table attached hereto as Attachment E. The eligible activities described in Attachment E are not exhaustive. Subject to the approval of DBRA staff in writing, additional eligible activities may be carried out at the Property, without requiring an amendment to this Plan, so long as such eligible activities are permitted by Act 381 and the performance of such eligible activities does not exceed the total costs stated in Attachment E.

Unless otherwise agreed to in writing by the DBRA, all eligible activities shall commence within eighteen (18) months after the date the governing body approves this Plan and be completed within three (3) years after approval of the Michigan Strategic Fund (“MSF”) work plan, if applicable, or three (3) years after execution of the Reimbursement Agreement (as that term is defined below). Any long-term monitoring or operation and maintenance activities or obligations that may be required will be performed in compliance with the terms of this Plan and any documents prepared pursuant to this Plan.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property pursuant to the terms of a Reimbursement Agreement to be executed by the DBRA and the Developer after approval of this Plan (the “Reimbursement Agreement”), to the extent permitted by Act 381. In the event this Plan contemplates the capture of tax increment revenue derived from “taxes levied for school operating purposes” (as defined by Section 2(uu) of Act 381 and hereinafter referred to as “School Taxes”), the Developer acknowledges and agrees that DBRA’s obligation to reimburse the Developer for the cost of eligible activities with tax increment revenue derived from Local Taxes, or Specific Taxes that are considered Local Taxes, (as these capitalized terms are defined by Act 381) is contingent upon: (i) the Developer receiving at least the initial applicable work plan approvals by the MSF and the Michigan Department of Environment, Great Lakes, and Energy (EGLE), as may be required pursuant to Act 381, or (ii) the Developer providing the DBRA with evidence, satisfactory to DBRA, that the Developer has the financial means to complete the project without the capture of, and subsequent reimbursement with, the contemplated School Taxes.

The costs listed in Attachment E are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Act 381. The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment or reimbursement, provided that the total cost of eligible activities subject to payment or reimbursement under the Reimbursement Agreement shall not exceed the estimated costs set forth in Attachment E. As long as the total costs are not exceeded, line item costs of eligible activities may be adjusted after the date this Plan is approved by the governing body, to the extent the adjustments do not violate the terms of the approved EGLE or MSF work plan.

D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(2)(c)); Beginning Date of Capture of Tax Increment Revenues (Section (13)(2)(f); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(2)(g))

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. Subject to Section 13(b)(16) of Act 381, a table of estimated tax increment revenues to be captured is attached to this Plan as Attachment F.

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA's Local Brownfield Revolving Fund, as follows:

511 Woodward	Reimbursements Costs	<u>Admin.</u> <u>Costs</u>	<u>State</u> <u>Brownfield</u> <u>Fund</u>	<u>Local</u> <u>Revolving</u> <u>Fund</u>
School Operating Tax	\$1,262,265.87	\$0.00	\$0	\$0
State Education Tax	\$229,461.29	\$0.00	\$191,294	\$0
County (combined)	\$4,078.40	\$107,303.64	\$0.00	\$14,803.24
RESA	\$ -	\$4,944.73	\$0.00	\$657.18
WC Special Ed	\$ -	\$172,568.62	\$0.00	\$22,935.26
WC RESA ENH	\$ 68,336.44	\$34,145.08	\$0.00	\$13,620.32
TOTALS	\$1,564,142	\$318,962	\$191,294	\$52,016

In addition, the following taxes are projected to be generated but shall not be captured during the life of this Plan:

City Debt	\$ 522,458
School Debt	\$ 754,662
Wayne County DIA	\$ 11,610
Wayne County Zoo	\$ 5,805
Total	\$ 1,294,535

The Project anticipates the approval of an Obsolete Property Rehabilitation Act (OPRA) tax abatement. If approved, the OPRA will reduce the property tax obligations of the Property for the period applicable under the abatement certificate, thereby reducing the amount of tax increment revenues available under this Plan. This abatement is included in the tax capture assumptions provided with this Plan in Attachment F.

In no event shall the duration of this Plan exceed thirty-five (35) years following the date of the governing body's resolution approving this Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax

increment revenues be later than five (5) years after the date of the governing body's resolution approving this Plan.

E. Plan of Financing (Section 13(2)(d)); Maximum Amount of Indebtedness (Section 13(2)(e))

The eligible activities are to be financed solely by the Developer. The DBRA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property. No advances have been or shall be made by the City or the DBRA for the costs of eligible activities under this Plan.

All reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan are intended to authorize the DBRA to fund such reimbursements and does not obligate the DBRA or the City to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by this Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

Unless otherwise agreed upon by the Developer, the DBRA, and the State of Michigan, the DBRA shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

Interest shall be paid under this Plan as provided in the Reimbursement Agreement, provided that to the extent that the MSF or EGLE does not approve the payment of interest on an eligible activity with school taxes, interest shall not accrue or be paid under this Plan with respect to the cost of such eligible activity. Unless otherwise agreed upon by the Developer, the DBRA, and the State of Michigan, the DBRA may approve interest on the local portion of the reimbursement to the extent that the projected internal rate of return to the Developer does not exceed twenty (20%), as more specifically stated in the Reimbursement Agreement.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of Eligible Activities permitted under this Plan.

F. Duration of Plan (Section 13(2)(f))

Subject to Section 13b(16) of Act 381, the beginning date of capture of tax increment revenues for each eligible property shall occur in accordance with the TIF table described in Exhibit F. In no event, however, shall this Plan extend beyond the maximum term allowed by Section 13(2)(f) of Act 381 for the duration of this Plan.

Furthermore, this Plan, or any subsequent amendment thereto, may be abolished or terminated in accordance with Section 14(8) of Act 381 in the event of any of the following:

a. The governing body may abolish this Plan (or any subsequent amendment thereto) when it finds that the purposes for which this Plan was established have been accomplished.

b. The governing body may terminate this Plan (or any subsequent amendment thereto) if the project for which eligible activities were identified in this Plan (or any subsequent amendment thereto) fails to occur with respect to the eligible property for at least two (2) years following the date of the governing body resolution approving this Plan (or any subsequent amendment thereto), provided that the governing body first does both of the following: (i) gives 30 days' written notice to the Developer at its last known address by certified mail or other method that documents proof of delivery attempted; and (ii) provides the Developer with an opportunity to be heard at a public meeting.

Notwithstanding anything in this subsection to the contrary, this Plan (or any subsequent amendment thereto) shall not be abolished or terminated until the principal and interest on bonds, if any, issued under Section 17 of Act 381 and all other obligations to which the tax increment revenues are pledged have been paid or funds sufficient to make the payment have been identified or segregated.

G. Effective Date of Inclusion in Brownfield Plan

The Property will become a part of this Plan on the date this Plan is approved by the governing body.

H. Displacement/Relocation of Individuals on Eligible Property (Section 13(2)(i-l))

There are no persons or businesses residing on the eligible property and no occupied residences will be acquired or cleared, therefore there will be no displacement or relocation of persons or businesses under this Plan.

I. Local Brownfield Revolving Fund ("LBRF") (Section 8; Section 13(2)(m))

The DBRA has established a Local Brownfield Revolving Fund (LBRF). The LBRF will consist of all tax increment revenues authorized to be captured and deposited in the LBRF, as specified in Section 13(5) of Act 381, under this Plan and any other plan of the DBRA. It may also include funds appropriated or otherwise made available from public or private sources.

The amount of tax increment revenue authorized for capture and deposit in the LBRF is estimated at **\$52,016**. All funds, if any, deposited in the LBRF shall be used in accordance with Section 8 of Act 381.

J. Brownfield Redevelopment Fund (Section 8a; Section 13(2)(m))

The DBRA shall pay to the Department of Treasury at least once annually an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, that are captured under this Plan for up to the first twenty-five (25) years of the duration of capture of tax increment revenues for each eligible property included in this Plan. If the DBRA pays an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on a parcel of eligible property to

the Department of Treasury under Section 13b(14) of Act 381, the percentage of local taxes levied on that parcel and used to reimburse eligible activities for the Project under this Plan shall not exceed the percentage of local taxes levied on that parcel that would have been used to reimburse eligible activities for the Project under this Plan if the 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on that parcel were not paid to the Department of Treasury under Section 13b(14) of Act 381.

K. Developer's Obligations, Representations and Warrants

The Developer and its affiliates shall comply with all applicable laws, ordinances, executive orders, or other regulations imposed by the City or any other properly constituted governmental authority with respect to the Property and shall use the Property in accordance with this Plan.

The Developer, at its sole cost and expense, shall be solely responsible for and shall fully comply with all applicable federal, state, and local relocation requirements in implementing this Plan.

The Developer represents and warrants that a Phase I Environmental Site Assessment ("ESA"), and if appropriate, a Phase II ESA, baseline environmental assessment, and due care plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act (MCL 324.20101 *et seq.*), has been performed on the Property ("Environmental Documents"). Attached hereto as Attachment G is the City of Detroit's Department of Buildings, Safety Engineering and Environmental acknowledgement of its receipt of the Phase I ESA, and if appropriate, the Phase II ESA.

The Developer further represents and warrants that the Project does not and will not include a City of Detroit Land Bank Authority, Wayne County Land Bank Authority or State of Michigan Land Bank financing component.

Except as otherwise agreed to by the DBRA, any breach of a representation or warranty contained in this Plan shall render the Plan invalid, subject to the Developer's reasonable opportunity to cure as described in the Reimbursement Agreement.

III. ATTACHMENTS

ATTACHMENT A
Site Map



ATTACHMENT B

Legal Descriptions of Eligible Property to which the Plan Applies

W WOODWARD W 30 FT OF LOTS 58 THRU 62 PLAT OF SEC 2 GOVERNOR &
JUDGES PLAN L34 P549 DEEDS, W C R 2/38 270 X 30

ATTACHMENT C

Project Description

Type of Use

The “Dream 511” project involves the rehabilitation of the vacant building located at 511 Woodward for office (approximately 19,207 square feet) and retail (approximately 11,129 square feet) purposes. The Downtown Detroit Partnership will occupy approximately 7,584 square feet of office space in the building. The incentives requested for this project will allow the Owner to provide this space at a deeply discounted rental rate. The remaining office and retail space are slated for various private users, with leases currently being negotiated.

Dream 511 represents the expansion of a partnership between The Elia Group and the Downtown Detroit Partnership (DDP), which includes a strong track record transforming under-utilized downtown parcels into vibrant community parks, restaurants and landmarks. The organizations collaborated to create Parc restaurant, which has received local and national critical acclaim since opening in 2016, serving as a reputable anchor in arguably the most iconic location in Downtown Detroit: Campus Martius. Additionally, they created The Fountain Detroit, a 340-square-foot restaurant that brought one of the first adaptive reuses of old shipping containers in Detroit to Campus Martius.

The partnership is also a driving force in activating Campus Martius as an all-season community gathering space, operating the Rink Side Bar and Arctic Zone concession areas, which flank the ice rink during the winter months, and providing free live entertainment to visitors and families all year long.

The Elia Group-DDP team remains committed to providing opportunities for workforce training, growth and employment in Detroit. This is exemplified through their relationship with programs such as the city’s Grow Detroit’s Young Talent program, from which several graduates have been hired at The Fountain Detroit restaurant.

Square Footage (overall and retail/commercial/industrial/hotel)

The current approximately 30,240 square foot building was constructed in 1972. The building is a four (4) story glass curtain wall building on three (3) sides with a brick and block center section over the building entry with a block and brick rear side. The building was originally occupied by various professional offices and a financial institution from

1973 until at least 2006, when the building was vacated. The building has been vacant and unutilized since 2006.

Number of Housing Units (rental/for sale) (market rate/affordable)

The project does not include housing.

Total Investment

The total development costs are currently estimated at \$18,061,583.

Additional Incentives

The project is currently in the process of applying for an OPRA certificate for twelve years.

Estimated Jobs (both permanent and temporary)

The Dream 511 project will produce a minimum of 75 construction jobs, one-third of which are anticipated to be specific to low-income Wayne County residents. The new space will allow for the hiring of approximately 100 new retail and office employees in Downtown Detroit. One Property Manager will be hired directly by the new Owner.

Project Timeline

ICONIC-511, LLC has been established for the project and the purchase is slated to close in November, 2019. Construction will begin immediately and result in the first tenant occupancy in June 2020.

ATTACHMENT D

Supportive Letters



DEPARTMENT OF
**Planning &
Development**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226

Phone: 313.224.3765
Fax: 313.224.1647
www.detroitmi.gov

TTY: 313

October 7, 2019

Ms. Jennifer Kanalos
Authorized Agent
Detroit Brownfield Redevelopment Authority
500 Griswold, Suite 2200
Detroit, Michigan 48226

RE: 511 Woodward Brownfield Redevelopment Plan

Dear Ms. Kanalos,

The Detroit Brownfield Redevelopment Authority (DBRA) has asked that the Planning and Development Department to review and comment on the 511 Woodward Brownfield Redevelopment Plan (the "Plan").

ICONIC 511, LLC is the project developer ("Developer"). The property in the Plan is located on one parcel bounded by Woodward Avenue to the east, Larned Street to the south, the Guardian Building to the west, and W. Congress Street to the north in Detroit's Central Business District. Previous use of the property has historically been limited to commercial uses and has been vacant since 2006.

The proposed Development consists of the complete building rehabilitation of 511 Woodward into 19,207 square feet of office space and 11,219 square feet of retail space. The Downtown Detroit Partnership will occupy 7,584 square feet of office space in the building. The project will include an exterior façade renovation on the building for a more modern and open design and significant infrastructure updates to the sidewalks to create more usable and inviting public space adjacent to the building.

The development will renovate and reactivate an important building in the Central Business District of Detroit. Total investment is estimated at \$18 million.

The review for this brownfield plan is complete and all comments have been forwarded to the developer. No adverse comments were received. The Planning and Development Department recommends approval of the brownfield plan as submitted.

Sincerely,

Russell Baltimore
Assistant Director Design Review
Planning and Development Department

c: B. Vosburg



October 11, 2019

Detroit Brownfield Redevelopment Authority
500 Griswold Street
Suite 2200
Detroit, MI 48226

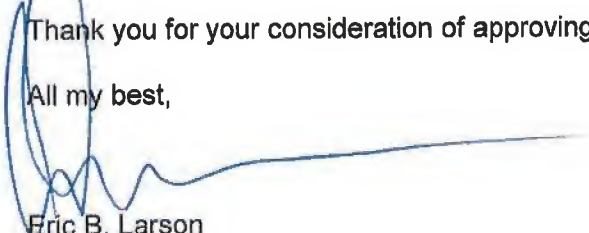
RE: 511 Woodward Avenue

Detroit Brownfield Redevelopment Authority:

The Downtown Detroit Partnership is pleased to endorse the 511 Woodward project for the approval of the Brownfield plan. The proposed project will be transformational for Woodward Avenue and Downtown Detroit.

Thank you for your consideration of approving the request of 511 Woodward.

All my best,



Eric B. Larson
CEO

ATTACHMENT E

ESTIMATED COST OF ELIGIBLE ACTIVITIES

TIF Estimation of Eligible Activities	Estimated Activity Cost	MDEQ Reimbursement	MSF Reimbursement
Demolition	\$ 597,770		\$ 597,770
Site Preparation	\$ 220,063		\$ 220,063
Infrastructure Improvements	\$ 524,900		\$ 524,900
Brownfield Plan & 381 Preparation	\$ 20,000	\$	\$ 20,000
15% Contingency on Eligible Act.	\$ 201,410	\$ -	\$ 201,410
Total Eligible Activities	\$ 1,564,142	\$ 0	\$ 1,564,142
BRA Administration Fee	\$ 318,962		\$ 318,962
State Revolving Fund	\$ 191,294		\$ 191,294
LSRRF	\$ 52,016		\$ 52,016
Total Eligible Costs for TIF Reimbursement	\$ 2,126,414	\$ 0	\$ 2,126,414
Developer Reimbursement	\$ 1,564,142		
LSRRF Collection	\$ 52,016		

ATTACHMENT F

TIF Tables

EXHIBIT A: 511 Woodward Brownfield Plan TIF TAB

Tax Incremental Revenue Capture Estimates	No. per year																		
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Estimated Taxable Value (TV) per parcel Rate:																			
TIF Base Taxable Value	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548	\$ 13,548
OPRA Base Taxable Value	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200	\$ 629,200
Estimated New TV - Base TV	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275
TIF Incremental Difference (New TV - Base TV)	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275	\$ 2,280,275
OPRA Incremental Difference (New TV - Base TV)	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075	\$ 1,401,075
OPRA Abatement																			
OPRA Abatement Rate	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
School Operating Tax	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619	\$ 40,619
School Total	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185	\$ 54,185
Local Capturable																			
Wayne County	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897	\$ 0.9897
Wayne County Jails	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341	\$ 0.0341
Wayne County Parks	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459	\$ 0.2459
Wayne County Special Ed	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678	\$ 3.3678
Wayne County RESA	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965	\$ 0.0965
Wayne County RESA ENH	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000
Local Total	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340	\$ 7.6340
Non-Capturable Millage																			
Non-Capturable Millage																			
Total Non-Capturable Taxes	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000	22.3000
Total Tax Increment	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872	\$ 59,872
Full Capturable Property Taxes	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479	\$ 147,479
Full Value of OPRA	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228	\$ 65,228
Leftover for Capture	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251	\$ 82,251
DDA Capture	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879	\$ 72,879
Developer Capture	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372	\$ 59,372
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	75.86%	\$ 1,186,529	\$ -	\$ 1,186,529
Local	24.14%	\$ 377,633	\$ -	\$ 377,633
TOTAL				
MDIQ	0%	\$ -	\$ -	\$ -
MIF	100%	\$ 1,564,162	\$ -	\$ 1,564,162

EXHIBIT A-511 Woodward Brownfield Plan TIF TABLE

Estimated Capture	\$ 1,818,154
Administrative Fees	\$ 338,963
State Bldg Reimbursement Fund	\$ 101,294
Local Brownfield Revolving Fund	\$ 52,015

Estimated Total
Years of Plan: 30

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Total State Incremental Revenue	\$ 54,185	\$ 54,177	\$ 55,214	\$ 55,837	\$ 56,495	\$ 57,518	\$ 58,674	\$ 59,261	\$ 59,854	\$ 60,452	\$ 61,057	\$ 61,667	\$ 62,284	\$ 62,907																
State Brownfield Reimbursement Fund (50% of 1-27)	\$ 40,639	\$ 40,633	\$ 41,411	\$ 41,878	\$ 42,371	\$ 42,880	\$ 43,405	\$ 43,946	\$ 44,503	\$ 45,076	\$ 45,655	\$ 46,240	\$ 46,841	\$ 47,448																
State TIR Available for Reimbursement	\$ 47,412	\$ 47,406	\$ 48,365	\$ 48,848	\$ 49,337	\$ 49,830	\$ 50,340	\$ 50,853	\$ 51,368	\$ 51,886	\$ 52,405	\$ 52,926	\$ 53,449	\$ 53,973																
Total Local Incremental Revenue	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188	\$ 5,188																
Local Administrative Fee (1.5%)	\$ 8,506	\$ 8,507	\$ 9,069	\$ 9,152	\$ 9,236	\$ 9,320	\$ 9,405	\$ 9,490	\$ 9,575	\$ 9,660	\$ 9,746	\$ 9,831	\$ 9,916	\$ 10,001																
BRA Deferred Admin Fee	\$ 3,718	\$ 3,799	\$ 3,882	\$ 3,964	\$ 4,048	\$ 4,133	\$ 4,218	\$ 4,304	\$ 4,392	\$ 4,480	\$ 4,568	\$ 4,658	\$ 4,748	\$ 4,839																
BRA Deferred Admin Fee Total	\$ 3,718	\$ 3,799	\$ 3,882	\$ 3,964	\$ 4,048	\$ 4,133	\$ 4,218	\$ 4,304	\$ 4,392	\$ 4,480	\$ 4,568	\$ 4,658	\$ 4,748	\$ 4,839																
Local TIR Available for Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total State & Local TIR Available	\$ 47,412	\$ 47,406	\$ 48,365	\$ 48,848	\$ 49,337	\$ 49,830	\$ 50,340	\$ 50,853	\$ 51,368	\$ 51,886	\$ 52,405	\$ 52,926	\$ 53,449	\$ 53,973																
DEVELOPER																														
REVENUE REIMBURSEMENT BALANCE	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143																
MIF (New Incremental Capt)	\$ 47,412	\$ 47,406	\$ 48,365	\$ 48,848	\$ 49,337	\$ 49,830	\$ 50,340	\$ 50,853	\$ 51,368	\$ 51,886	\$ 52,405	\$ 52,926	\$ 53,449	\$ 53,973																
State TIR Reimbursement	\$ 47,412	\$ 47,406	\$ 48,365	\$ 48,848	\$ 49,337	\$ 49,830	\$ 50,340	\$ 50,853	\$ 51,368	\$ 51,886	\$ 52,405	\$ 52,926	\$ 53,449	\$ 53,973																
Local TIR Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total MIF Reimbursement Balance	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790	\$ 3,574,790																
MIF (Old Incremental Capt)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
State TIR Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Local TIR Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total MDIQ Reimbursement Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Local Only Capt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Local TIR Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total Local Only Reimbursement Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total Annual Developer Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
REVENUE REIMBURSEMENT BALANCE	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143	\$ 2,584,143																
MDIQ REVENUE REIMBURSEMENT BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Local Only Capt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Local TIR Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total Local Only Reimbursement Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total Annual Developer Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																

TOTAL BROWNFIELD REVOLVING FUND

LOIR Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
State TIR Captive	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Local TIR Captive	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																
Total LOIR Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																

* Up to five years of capture for LOIR. Deposits after eligible activities are reimbursed. May be taken from DEC & Local TIR only.

Tax Incremental Revenue Reimbursement Allocation Table
 \$11 Woodward
 Detroit, Michigan
 October 7, 2017

EXHIBIT A: \$11 Woodward Brownfield Plan TIF TABLE

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ATTACHMENT G

BSE&E Acknowledgement and Other Environmental Documents

ATTACHMENT H
Eligibility Documentation



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

October 2, 2019

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY: 711
(313) 224-9400
WWW.DETROITMI.GOV

Ms. Jennifer Kanalos, Authorized Agent
City of Detroit Brownfield Redevelopment Authority
500 Griswold Street, 22nd Floor
Detroit, Michigan 48226

RE: 511 Woodward Avenue, Detroit, Michigan

Dear Ms. Kanalos:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed project for the property located at 511 Woodward Avenue, Detroit, Michigan (the "Property") in anticipation of the Property being included in a brownfield plan.

The Brownfield Redevelopment Financing Act ("Act 381") requires that a level III or IV assessor make a finding that the Property is "functionally obsolete", as defined by Act 381, and provide the underlying basis for that opinion.

Section 2(s) of Act 381 defines "functionally obsolete" as property that is "unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property." MCL 125.2652(s).

The Assessors Manual defines functional obsolescence as "a loss in value occurring in a structure caused by changes in design, overcapacity, or inadequacy." Michigan Assessors Manual, Vol. I Glossary, p. 239.

The Property was originally intended for commercial use; however, the Property has been vacant and unutilized since 2006 and cleared out down to the building structural elements. Without substantial updates and renovations, the Property is no longer able to meet market demand for such commercial use for several reasons which will be addressed through the rehabilitation which will include, but not be limited to: installing a new, up-to-date fire suppression system, updating the electrical systems, updating the elevators up to code, and installing a new curtain wall and proposed screen wall to provide an energy efficient exterior wall system.

The Office of the Chief Financial Officer, Office of the Assessor, finds the Property to be functionally obsolete within the definition of the Assessors Manual and the Brownfield Redevelopment Financing Act.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors

ATTACHMENT I

Incentives Chart

City of Detroit
CITY COUNCIL
COUNCIL PRESIDENT BRENDA JONES

INCENTIVE INFORMATION CHART:

Project Type	Incentive Type	Investment Amount	District
Rehabilitation	OPRA Abatement	18,061,583	

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
8	34	36	22	75	25		

1. What is the plan for hiring Detroiters?
2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.
3. Will this development cause any relocation that will create new Detroit residents?
4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?
5. When is construction slated to begin?
6. What is the expected completion date of construction?

*Please contact Linda Wesley at (313) 628-2993 or wesleyl@detroitmi.gov to schedule a date to attend the Skilled Trades Task Force.

1.What is the plan for hiring Detroiters?

The purchase agreement for the property with Wayne County requires the developer to coordinate closely with local workforce agencies in relation to the project in order to promote the hiring of local workforce. It specifically requires the Developer to take the following actions:

- a. Engaging with SER Metro's Motor City Empresa program to employ young adults in Wayne County's construction trades;
- b. Engaging with Southeast Michigan Community Alliance (SEMCA), Detroit Employment Solutions Corporation (DESC), the State of Michigan's MiTalent and Wayne County Community College District, to create permanent job opportunities for local community members; and
- c. Considering opportunities with Wayne County businesses using platforms such as Detroit Economic Growth Corporation D2D, Michigan Minority Supplier Development Council and Pure Michigan Business Connect.

Through these activities, the Developer expects to identify local workforce for the project.

2.Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.

The Dream 511 project will produce a minimum of 75 construction jobs, one-third of which are anticipated to be specific to low-income Wayne County residents. The new space will allow for the hiring of approximately 100 new retail and office employees in Downtown Detroit. One Property Manager will be hired directly by the new Owner.

3.Will this development cause any relocation that will create new Detroit residents? **No**

4.Has the developer reached out to any community groups to discuss the project and/or any potential jobs?

See number 1.

5.When is construction slated to begin? **12/1/2019**

6.What is the expected completion date of construction? **7/1/2019**

Exhibit B



October 30, 2019

The Honorable City Council
City of Detroit
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

City of Detroit Brownfield Redevelopment Authority
Board of Directors
500 Griswold Street, Suite 2200
Detroit, Michigan 48226

Re: Recommendation for Approval of the 511 Woodward Brownfield Redevelopment Plan

Honorable Members of the Detroit City Council and the City of Detroit Brownfield Redevelopment Authority Board of Directors:

In accordance with the resolution of the Detroit City Council creating the City of Detroit Brownfield Redevelopment Authority (the "Authority"), the Community Advisory Committee, at its meeting of October 30, 2019, adopted a resolution approving the proposed Brownfield Plan for the 511 Woodward Redevelopment and recommending adoption of this Brownfield Plan by the Authority and City Council.

Please accept this letter of recommendation for approval from the Community Advisory Committee on the Brownfield Plan for the 511 Woodward Redevelopment.

Very truly yours,

By: 
Allen Rawls, Chairperson
Community Advisory Committee to the City of Detroit
Brownfield Redevelopment Authority



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES OF THE
SPECIAL COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, OCTOBER 30, 2019 -- 4:00 PM
AT DEGC OFFICES
500 GRISWOLD, SUITE 2200
DETROIT, MI**

**COMMITTEE MEMBERS
PRESENT:**

Kamal Cheeks
Dr. Regina Randall
Allen Rawls
Rico Razo
Michelle Lee

**COMMITTEE MEMBERS
ABSENT:**

Simone Sagovac
Brad Lutz
Sandra Stahl
Rick Blocker

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Malinda Jensen (DEGC)
Kaci Jackson (DEGC)
Sarah Pavelko (DEGC)
Adam Schloff (K8 Partners) (via phone)
Elizabeth Masserang (PM Environmental)
Jill Ferrari (Renovare)
Shannon Morgan (Renovare)
Matt Shenk (OTS)
Bradford Egan (The Elia Group/Iconic 511, LLC)
Matthew Langston (City of Detroit/HRD)



Call to Order

Mr. Rawls, Chairperson, called the meeting to order at 4:20 p.m.

General

Approval of Minutes

Mr. Rawls called for approval of the minutes of the October 9, 2019 (resolution) DBRA-CAC meeting. The Committee took the following action:

On a motion by Mr. Cheeks, seconded by Mr. Razo, DBRA-CAC Resolution Code 19-10-02-146, approving the October 9, 2019 CAC minutes, as presented, was unanimously approved.

Projects

Brownfield Plan for 511 Woodward

Mr. Vosburg introduced the Brownfield Plan for 511 Woodward to the CAC members present.

Project Introduction

ICONIC 511, LLC is the project developer (the "Developer") for the Plan which involves the rehabilitation of the vacant and obsolete building located at 511 Woodward for commercial and retail uses. The current 30,240 square foot building was constructed in 1972. The building is a four (4) story glass curtain wall building on three (3) sides with a brick and block center section over the building entry with a block and brick rear side. The building was originally occupied by various professional offices and a financial institution from 1973 until at least 2006, when the building was vacated. The building has been vacant and unutilized since 2006. The Downtown Detroit Partnership will occupy 7,584 square feet of office space in the building.

The total investment is estimated to be \$18 million. The Developer is requesting \$1,564,142.00 in TIF reimbursement.

There will be approximately 75 temporary construction jobs and 1 FTE job related to property management. Approximately 100 new retail and office jobs are anticipated to be created by the future tenant(s) of the building.

Property Subject to the Plan

The eligible property (the "Property") consists of one (1) parcels located in Detroit's Central Business District, bounded by Woodward Avenue to the east, Larned Street to the south, the Guardian Building to the west, and Congress Street to the north.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be functionally obsolete and blighted as defined by Act 381.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include interior demolition, lead and asbestos abatement, infrastructure improvements, and development and preparation of brownfield plan and/or Act 381 work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and

will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Demolition (Including Lead and Asbestos Abatement)	\$597,770.00
2. Infrastructure Improvements	\$524,900.00
3. Site Preparation	\$220,063.00
4. Brownfield Plan & Work Plan Preparation	\$20,000.00
5. Contingency (15%)	\$201,410.00
Total Reimbursement to Developer	\$1,564,142.00
6. Authority Administrative Costs	\$306,759.00
7. State Brownfield Redevelopment Fund	\$191,294.00
8. Local Brownfield Revolving Fund	\$52,016.00
TOTAL Estimated Costs	\$2,114,211.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Obsolete Property Rehabilitation Act (PA 146) Abatement.

Attached for the CAC's review and approval were three (3) resolutions: 1.) a resolution supporting the Plan in the event the Committee does not deem it necessary to conduct a CAC public hearing and 2.) a resolution authorizing a public hearing in the project area and 3.) a resolution authorizing a public hearing in the project area and to appoint up to two special CAC members. The public hearing may be held jointly with any public hearing conducted by the Detroit Brownfield Redevelopment Authority.

Mr. Egan provided more information about the project including the Request for Proposals through Wayne County for the project, the plans to change the façade of the building, the plans for the public patio space which includes infrastructure improvements, and landscaping improvements, and the installation of an updated heating mechanism beneath the concrete, and the role the project will play in connecting Campus Martius and Hart Plaza.

Dr. Randall asked if the Developer performed any community outreach to residents living in the downtown area. Mr. Egan stated that the Property is located in the heart of the Central Business District and there is not a significant residential development located near the Property and that a public hearing is scheduled for the Plan on Monday, November 4, 2019.

Mr. Razo asked what materials will be used for the public patio space. Mr. Egan stated that decorative concrete will be installed in the public patio area.

Mr. Razo asked if the heating mechanism beneath the public patio will pose an issue for drainage on the site. Mr. Egan stated that the heating mechanism will be drained out through the storm drain.

Mr. Cheeks asked if the heating mechanism will extend out to the curb on Woodward Avenue. Mr. Egan stated that the heating mechanism will only be under the public patio space and will not extend to the curb along Woodward Avenue.

Mr. Cheeks asked what the planned materials are for the façade of the building. Mr. Egan stated that the screen to be installed on the façade of the building is composed of lightweight aluminum structures called chevrons and those will be on the outside of the new glass curtain wall to provide a sense of privacy and the existing brick portion of the façade will be removed in order to make the building more visually appealing and eye catching.

Mr. Cheeks asked if the Developer has any plans to activate the alley located between the Property and the Guardian Building. Mr. Egan stated that the service alley is operated by Wayne County and there are barriers to the alley from pedestrians and that the only change anticipated to the alley is to change which direction those barriers swing for fire safety reasons. Mr. Schenk added that the Developer has entered into an easement agreement with Wayne County for the alley and the rooftop of the Property.

Ms. Lee asked if the anticipated 100 new retail jobs to be created are through the Downtown Detroit Partnership. Mr. Egan stated that Walbridge is the general contractor for the project and that they have been working on a plan to employ Detroit residents on the construction of the project and that the Downtown Detroit Partnership is the planned tenant for the office space on the third floor, and that the retail spaces on the first floor may include a restaurant and each retailer is anticipated to create 20-30 jobs, but those numbers are currently in flux.

Mr. Razo asked if there is a plan for parking for the new employees that will be working at the Property. Mr. Egan stated that a parking plan is currently being worked out. Mr. Schenk stated that the Developer has an agreement with Wayne County which operates the First Street Parking Garage and that a certain number of parking spaces will be reserved for the project at market rate.

Mr. Rawls asked if there are any planned environmental features for the project. Mr. Egan stated that all systems of the building will be updated and will be more energy efficient, including lighting, rooftop HVAC units and an updated air quality system. Ms. Ferrari stated that the current structure is not the original structure that was located on the Property and that the former structure was used for printing, but there aren't any current environmental concerns.

Mr. Rawls asked who the architect is for the project. Mr. Egan stated that the architect for the project is Yamasaki.

Mr. Rawls asked for more information on the experience of the Developer. Mr. Egan stated that the Developer is both a hospitality company and a real estate development company and currently own and/or operate the Parc restaurant in Campus Martius, 220 Marrow located in Birmingham, Michigan, and recently renovated the Anchor Bar in Detroit, and have several other projects in the southeast Michigan area.

Mr. Razo asked if there are plans to activate the roof of the building. Mr. Egan stated that because of the mechanical systems located on the roof of the building, there are no current plans to activate the roof for use.

Mr. Rawls asked if a restaurant similar to 220 Marrow can be expected for the project. Mr. Egan stated that a comparable restaurant to 220 Marrow is a possibility for the project.

Mr. Rawls called for a motion recommending approval of the Brownfield Plan for 511 Woodward.

Mr. Razo motioned to recommend approval of the Brownfield Plan for 511 Woodward without a CAC public hearing and without appointing special members. Dr. Randall seconded the motion. DBRA-CAC Resolution Code 19-10-281-01, recommending approval of the Brownfield Plan for 511 Woodward was unanimously approved.



**MINUTES OF THE
DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
PUBLIC HEARING FOR THE**

**511 WOODWARD
BROWNFIELD REDEVELOPMENT PLAN**

**Monday, November 4, 2019
Detroit Economic Growth Corporation
500 Griswold, Suite 2200
Detroit, MI 48226
5:30 PM**

In attendance were:

Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Shannon Morgan (Renovare)
Jill Ferrari (Renovare)
Bradford Egan (ICONIC 511, LLC)
Matthew Schenk (OTS)

Mr. Vosburg called the public hearing to order at 5:30 PM.

No members of the general public were in attendance. There were no comments received in favor of or in opposition to the plan.

Mr. Vosburg closed the public hearing at 5:48 PM.

Exhibit C



CODE DBRA 19-11-281-02

511 WOODWARD BROWNFIELD REDEVELOPMENT PLAN

WHEREAS, pursuant to 381 PA 1996, as amended ("Act 381"), the City of Detroit Brownfield Redevelopment Authority (the "DBRA") has been established by resolution of the City Council of the City of Detroit (the "City Council") for the purpose of promoting the revitalization of environmentally distressed areas in the City of Detroit; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, in accordance with the policies, procedures and bylaws governing the DBRA, the DBRA has submitted a proposed Brownfield Plan for the **511 Woodward Redevelopment Project** (the "Plan") to the Community Advisory Committee for its consideration and comment and has solicited comments by the public by publication of notice stating that the proposed Plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies; and

WHEREAS, the Community Advisory Committee has considered the proposed Plan and approved a resolution recommending the approval of the proposed Plan by the DBRA and the City Council as presented by the DBRA; and

WHEREAS, in accordance with the provisions of Act 381, the Board of Directors of the DBRA has considered the proposed Plan and desires to approve the proposed Plan and to request that City Council call a public hearing to consider and adopt a resolution approving the proposed Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the DBRA has determined that the adoption of the Brownfield Plan for the **511 Woodward Redevelopment Project** is in keeping with the purposes of Act 381 and recommends submittal of the Plan to City Council for approval.

2. The Board of Directors of the DBRA approves the Plan substantially in the form attached hereto and on file with the Secretary of the DBRA.

3. Any Authorized Agent of the DBRA is authorized and directed to submit a certified copy of this Resolution and the Plan to the City Clerk, together with a request that the City Council call a public hearing concerning the Plan and to take all other actions required to approve the Plan in accordance with Act 381.

4. That any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this Resolution on behalf of the DBRA.

5. That all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

November 6, 2019

EXHIBIT D

**RESOLUTION CALLING A PUBLIC HEARING REGARDING
APPROVAL OF THE BROWNFIELD PLAN OF THE
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FOR THE 511 WOODWARD REDEVELOPMENT**

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City of Detroit, County of Wayne, Michigan (the "City") is authorized by the provisions of Act 381, Public Acts of Michigan, 1996 ("Act 381"), to create a brownfield redevelopment authority; and

WHEREAS, pursuant to Act 381, the City Council of the City duly established the City of Detroit Brownfield Redevelopment Authority (the "Authority"); and

WHEREAS, in accordance with the provisions of Act 381, the Authority has prepared a Brownfield Plan for the 511 Woodward Redevelopment (the "Plan") and submitted the Plan to the Community Advisory Committee for review and comment; and

WHEREAS, after receipt of the recommendation of the Community Advisory Committee to approve the, the Authority has approved the Plan and forwarded it to City Council with a request for its approval; and

WHEREAS, prior to approval of the Plan, the City Council is required to hold a public hearing in connection with consideration of the Plan pursuant to Act 381.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby acknowledges receipt of the Plan from the Authority.

2. A public hearing is hereby called on Thursday, the 21st day of November, 2019 at 10:30 AM, prevailing Eastern Time, in the Council Chambers, 13th Floor of the Coleman A. Young Municipal Center in the City to consider adoption by the City Council of a resolution approving the Plan.

3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

4. The City Clerk is requested to submit three (3) certified copies of this resolution to the DBRA, 500 Griswold Street, Suite 2200, Detroit, MI 48226.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

WAIVER OF RECONSIDERATION

Janice Winfrey, City Clerk
City of Detroit
County of Wayne, Michigan

EXHIBIT E

**RESOLUTION APPROVING BROWNFIELD PLAN
OF THE CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FOR THE 511 WOODWARD REDEVELOPMENT PROJECT**

City of Detroit
County of Wayne, Michigan

WHEREAS, pursuant to 381 PA 1996, as amended ("Act 381"), the City of Detroit Brownfield Redevelopment Authority ("Authority") has been established by resolution of the City Council of the City of Detroit (the "City") for the purpose of promoting the revitalization of eligible properties in the City; and

WHEREAS, under Act 381 the Authority is authorized to develop and propose for adoption by City Council a brownfield plan for one (1) or more parcels of eligible property; and

WHEREAS, pursuant to the resolution establishing the Authority and the bylaws of the Authority, the Authority has submitted a proposed brownfield plan for the 511 Woodward Redevelopment Project (the "Plan"); and

WHEREAS, the Authority submitted the Plan to the Community Advisory Committee for consideration on October 30, 2019, per the provisions of the resolution establishing the Authority, and a public hearing was conducted by the Authority on November 4, 2019 to solicit comments on the proposed Plan; and

WHEREAS, the Community Advisory Committee recommended approval of the Plan on October 30, 2019; and

WHEREAS, the Authority determined that the Plan constitutes a "Qualifying Downtown Brownfield Project" under that certain Interlocal Agreement by and between the Authority and the City of Detroit Downtown Development Authority, approved the Plan on November 6, 2019 and forwarded it to the City Council with a request for its approval of the Plan; and

WHEREAS, the required notice of the public hearing on the Plan was given in accordance with Section 13 of Act 381; and

WHEREAS, the City Council held a public hearing on the proposed Plan on November 21, 2019.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Definitions. Where used in this Resolution the terms set forth below shall have the following meaning unless the context clearly requires otherwise:

"Eligible Activities" or "eligible activity" shall have the meaning described in Act 381.

"Eligible Property" means the property designated in the Plan as the Eligible Property, as described in Act 381.

"Plan" means the Plan prepared by the Authority, as transmitted to the City Council by the Authority for approval, copies of which Plan are on file in the office of the City Clerk.

"Taxing Jurisdiction" shall mean each unit of government levying an ad valorem property tax on the Eligible Property.

2. Public Purpose. The City Council hereby determines that the Plan constitutes a public purpose.

3. Best Interest of the Public. The City Council hereby determines that it is in the best interests of the public to promote the revitalization of environmentally distressed areas in the City to proceed with the Plan.

4. Review Considerations. As required by Act 381, the City Council has in reviewing the Plan taken into account the following considerations:

(a) Portions of the property designated in the Plan meets the definition of Eligible Property, as described in Act 381, including consideration of the criteria of "blighted" as defined in Act 381;

(b) The Plan meets the requirements set forth in section 13 of Act 381.

(c) The proposed method of financing the costs of eligible activities is feasible and the Authority has the ability to arrange the financing.

(d) The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381.

(e) The amount of captured taxable value estimated to result from adoption of the Plan is reasonable.

5. Approval and Adoption of Plan. The Plan as submitted by the Authority is hereby approved and adopted. A copy of the Plan and all amendments thereto shall be maintained on file in the City Clerk's office.

6. Preparation of Base Year Assessment Roll for the Eligible Property.

(a) Within 60 days of the adoption of this Resolution, the City Assessor shall prepare the initial Base Year Assessment Roll for the Eligible Property in the Plan. The initial Base Year Assessment Roll shall list each Taxing Jurisdiction levying taxes on the Eligible Property on the effective date of this Resolution and the amount of tax revenue derived by each Taxing Jurisdiction from ad valorem taxes on the Eligible Property, excluding millage specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

(b) The City Assessor shall transmit copies of the initial Base Year Assessment Roll to the City Treasurer, County Treasurer, Authority and each Taxing Jurisdiction which will have Tax Increment Revenues captured by the Authority, together with a notice that the Base

Year Assessment Roll has been prepared in accordance with this Resolution and the Plan approved by this Resolution.

7. Preparation of Annual Base Year Assessment Roll. Each year within 15 days following the final equalization of the Eligible Property, the City Assessor shall prepare an updated Base Year Assessment Roll. The updated Base Year Assessment Roll shall show the information required in the initial Base Year Assessment Roll and, in addition, the Tax Increment Revenues for each Eligible Property for that year. Copies of the annual Base Year Assessment Roll shall be transmitted by the Assessor to the same persons as the initial Base Year Assessment Roll, together with a notice that it has been prepared in accordance with the Plan.

8. Establishment of Project Fund; Approval of Depositary. The Authority shall establish a separate fund for the Eligible Property subject to this Plan, which shall be kept in a depositary bank account or accounts in a bank or banks approved by the Treasurer of the City. All moneys received by the Authority pursuant to the Plan shall be deposited in the Project Fund for the Eligible Property. All moneys in the Project Fund and earnings thereon shall be used only in accordance with the Plan and Act 381.

9. Use of Moneys in the Project Fund. The moneys credited to the Project Fund and on hand therein from time to time shall be used annually to first make those payments authorized by and in accordance with the Plan and any development agreement governing such payments and then to the Local Site Remediation Revolving Fund, as authorized by Act 381:

10. Return of Surplus Funds to Taxing Jurisdictions. The Authority shall return all surplus funds not deposited in the Local Brownfield Revolving Fund proportionately to the Taxing Jurisdictions.

11. Payment of Tax Increment Revenues to Authority. The municipal and the county treasurers shall, as ad valorem and specific local taxes are collected on the Eligible Property, pay the Tax Increment Revenues to the Authority for deposit in the Project Fund. The payments shall be made not more than 30 days after the Tax Increment Revenues are collected.

12. Disclaimer. By adoption of this Resolution and approval of the Plan, the City assumes no obligation or liability to the owner, developer, lessee or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this Resolution and Plan. The City makes no guarantees or representations as to the determinations of the appropriate state officials regarding the ability of the Authority to capture tax increment revenues from the State and local school district taxes for the Plan.

13. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

14. The City Clerk is requested to submit four (4) certified copies of this Resolution to the DBRA, 500 Griswold Street, Suite 2200, Detroit, MI 48226

AYES: Members

NAYS: Members

RESOLUTION DECLARED ADOPTED.

Janice Winfrey, City Clerk
City of Detroit
County of Wayne, Michigan

WAIVER OF RECONSIDERATION IS REQUESTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Detroit, County of Wayne, State of Michigan, at a regular meeting held on _____, 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Janice Winfrey, City Clerk
City of Detroit
County of Wayne, Michigan



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

35

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

November 05, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Certified Welcoming Program – Welcoming America, Inc.

Honorable City Council:

Welcoming America, Inc. provides a certification process and Welcoming Standards that are the backbone of a Certified Welcoming program (the “Welcoming Program”) that supports communities across the United States build on competitive advantages and opportunities that promote “welcoming practices” on a regional, national and global stage.

The Welcoming Program is comprised of strong communities in the 21st Century that intentionally connect and actively include people of all backgrounds, allowing Certified Welcoming cities and counties to meet their highest civic and economic potential, unleashing the power of their greatest asset - their people. As the City of Detroit (“City”) looks to harness the wealth and vibrancy that comes from diverse talents and a more global workforce, we feel participation in the Welcoming Program will help the City set ourselves apart.

The City has already taken major strides to being a welcoming community through its City Council - Immigration Task Force and its Office of Immigrant Affairs in the Housing & Revitalization Department. These efforts have been instrumental in the support, design and implementation of strategies, policies and programs that create a more diverse, inclusive, and welcoming community for everyone in Detroit and those wishing to live and work here. Since 2015, HRD’s Office of Immigrant Affairs has work to further: 1) connect immigrants to government and nonprofit services and resources related to their settlement, employment, education, and full participation in civic life; 2) encourage population growth in Detroit by promoting home ownership, community and neighborhood development, entrepreneurship and economic investment; and 3) support policies and programs for inclusion in collaboration with the Immigration Task Force.

In 2018, New American Economy (“NAE”), a bipartisan research and advocacy organization on federal, state, and local immigration policies, ranked Detroit on the Top Ten list of Cities for Immigrant Integration. The NEA report added “Detroit stands out...The Motor City’s marks in Economic Empowerment and Job Opportunities power its performance, and it would benefit even further from a boost in Civic Participation”.

To build on these great achievements, HRD has taken affirmative steps to begin the certification process with Welcoming America, Inc. to gain access into the certified Welcoming Program for the City. This certification will help the City enhance immigrant civic participation and advocacy for policies that further encourage the contribution of our immigrant communities.

CITY CLERK 2019 NOV 5 AM 10:27



In furtherance of the City's continued momentum to increase policies of inclusivity and diversity in Detroit, we hereby request that your Honorable Body adopt the attached resolution in support of the City's application for certification into the Welcoming America, Inc.'s Certified Welcoming program.

Respectfully submitted,

A handwritten signature in black ink, which appears to read "Donald Rencher". The signature is fluid and cursive, with the first name "Donald" being more prominent than the last name "Rencher".

Donald Rencher, Director
Housing & Revitalization Department

cc: S. Washington (Mayor's Office)

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit (“City”), its Housing & Revitalization Department (“HRD”) and Detroit City Council support inclusivity, equity and diversity of Detroit’s immigrant community; and

WHEREAS, Welcoming America, Inc., through its Certified Welcoming program and Welcoming Standards (the “Program”), provides a comprehensive roadmap and competitive advantages for cities and counties that wish to build a more cohesive and equitable community; and

WHEREAS, certification in the Program helps to foster connections between newer immigrants and longtime residents; and

WHEREAS, the Program sets benchmarks that community organizations, residents and others can use to seek out and utilize welcoming places that inspire continued innovation; now therefore be it

RESOLVED, that Detroit City Council hereby supports HRD in seeking certification on behalf of the City from the Welcoming America, Inc. for their Program; and be it finally

RESOLVED, that such support includes ratification of the Certified Welcoming Certification Contract attached hereto in Exhibit A and executed by both Welcoming America, Inc. and the City, by and through HRD.

(See attached Exhibit A)

EXHIBIT A

CERTIFIED WELCOMING CERTIFICATION CONTRACT



CERTIFIED WELCOMING CERTIFICATION CONTRACT
between
Welcoming America
And
City of Detroit

PARTIES

1. Welcoming America ("Welcoming America") established and registered in the state of Georgia.
2. The City of Detroit ("Client"), a Michigan municipal corporation acting by and through its Housing & Revitalization Department with an address of 2 Woodward Avenue, Suite 908, Detroit, MI 48226.

AGREED TERMS

1. DEFINITIONS

The Parties agree that the following terms will have the meaning assigned to them below.

Audit: evidence gathering process that aims to assess the compliance of a Client with certain standards. Audits may be conducted on- or off-site and may be announced or unannounced.

Auditor: person qualified to carry out audits on behalf of the Certified Welcoming program of Welcoming America. The Auditor may be an employee of Welcoming America or an independently contracted natural or legal person.

Certificate: document issued by the Certified Welcoming program of Welcoming America which outlines the scope and duration of a Client's Certification with Welcoming America. A valid Certificate serves as authorization for the Client to designate and market itself as Certified Welcoming, to use the Certified Welcoming mark and logo on internal and external materials, and for businesses, nonprofits, and other entities that are headquartered in or operate within the Client's geographic limits to market themselves as based in a Certified Welcoming city and/or county.

Certification: process by which Certified Welcoming program of Welcoming



America determines a Client's compliance with the Welcoming Standard. In addition to the initial certification, the Client must go through Certification every three years in order to maintain their Certificate.

Certification Fee: amount payable by the Client to Welcoming America for services provided by the Certified Welcoming program, as set out in the Certified Welcoming Standard Operating Procedure.

Certified Welcoming Standard Operating Procedure (SOP): The Certified Welcoming Standard Operating Procedure describes the Certified Welcoming certification system and its underlying rules and principles such as the certification cycle and the concept of compliance. A copy is provided as an attachment to this contract. The SOP may be updated by Welcoming America from time to time to reflect changes in process, systems, fees, and other relevant content. The current version is publicly available at www.certifiedwelcoming.org.

Client: any entity which has signed a Certified Welcoming Certification Contract with Welcoming America and is at any stage of the Certified Welcoming certification process.

Confidential Information: any information that would be regarded as confidential by a reasonable person relating to the affairs, operations, and interested parties to which the disclosing entity belongs or is related. The handling of Confidential Information is described in detail in the Certified Welcoming Standard Operating Procedure provided as an attachment to this document.

Effective Date: the date this contract is signed by both the Client and Welcoming America.

Certified Welcoming Marks: registered trademarks of the Certified Welcoming program owned by Welcoming America. The Certified Welcoming Marks are only for use by certified Clients and institutions headquartered or operating within the geographic limits of certified Clients. Guidelines for use of the Certified Welcoming Marks are set out in the Certified Welcoming Standard Operating Procedure.

Welcoming America: Welcoming America is a national nonprofit that believes when communities welcome newcomers they reach full economic and social potential. Welcoming America connects a broad network of nonprofits and local governments supporting efforts in developing plans, programs, and policies that transform their communities into vibrant places



where people respect each other and everyone's talents are valued and cultivated. Welcoming America is the organization which operates Certified Welcoming and develops the Welcoming Standard.

Certified Welcoming: Certified Welcoming is a program of Welcoming America. Cities and counties that meet the Welcoming Standard earn the title of Certified Welcoming. These communities build a competitive advantage, and have opportunities to share their welcoming practices on regional, national, and global stages.

Welcoming Standard: The Welcoming Standard captures the core of what it means to be welcoming. Developed by Welcoming America in collaboration with local governments, advocates, and diverse experts, and with input from the public at large, the Welcoming Standard provides a comprehensive roadmap for immigrant inclusion and welcome. The Welcoming Standard addresses a range of essential policies and programs, from language access to hiring practices. Clients must meet the core requirements outlined in the Welcoming Standard in order to obtain Certified Welcoming Certification. To be maintain certification, clients must continue to meet core requirements, and improve their score on additional requirements. The current Welcoming Standard is available at www.certifiedwelcoming.org, and included in its entirety as an attachment to this contract.

2. PURPOSE OF THE CONTRACT

2.1 This contract is an agreement for the provision of Certification, including recertification, by the Certified Welcoming program of Welcoming America to the Client, and for the payment of Certification Fees by the Client to Welcoming America.

2.2 The purpose of this contract is to enable the Certified Welcoming program of Welcoming America to certify the Client against the Welcoming Standard.

3. OBLIGATIONS OF THE CLIENT

3.1 To the extent possible, the Client will perform all reasonable actions required to receive and maintain Certification. This includes compliance with the Welcoming Standard which can be found at www.certifiedwelcoming.org and as an attachment to this contract. If the client fails to maintain compliance with the Welcoming Standard or violates Certified Welcoming policies outlined in the Certified Welcoming Standard Operating Procedure (SOP), Welcoming America is may revoke the certification status of the Client. The Certified



Welcoming Standard Operating Procedure is included in its entirety as an attachment to this contract.

- 3.2 With reasonable advance notice and during Client's business hours, the Client will allow Welcoming America and its Auditor(s) access to applicable areas, records, and personnel necessary for the purpose of granting Certification.
- 3.3 The Client agrees that Welcoming America may appoint sub-contractors to conduct Audits.
- 3.4 The Client will not make use of its Certification in such a manner as to bring Welcoming America into disrepute and will not make any statement regarding its Certification which is misleading or unauthorized.
- 3.5 The Client will not make representations about its Certification beyond the scope outlined in its Certificate.
- 3.6 The Client only refers to its Certification in accordance with the guidelines outlined in the Certified Welcoming Standard Operating Procedure.
- 3.7 The Client has a duty to inform and will provide Welcoming America on a periodic and continuous basis with:
 - a. Any information on changes related to the organization of the Client, such as a changes in administration or governance that may impact the Certification status.
 - b. Any information regarding a potential or real conflict of interest present between the Client and an Auditor or Welcoming America employee in direct contact with the Client.
- 3.8 The Client will keep a record of all known complaints relating to compliance with the Welcoming Standard. The Client will take and document appropriate action with respect to such complaints and any deficiencies found in services that affect compliance with the Welcoming Standard. The Client will make these records available to the Certified Welcoming program when requested.

4. CERTIFICATION FEES AND PAYMENT

- 4.1 The Client is not required to pay any Certification Fees. The Certification Fees for Client shall be \$0.00.



4.2 Welcoming America may change Certification Fees after giving three months written notice to the Client as specified in clause 8.2. The Client may terminate this contract as specified in clause 8.3 after a change in Certification Fees.

4.3 Certification Fees will be due and payable on the due date noted on the invoice sent to the Client by Welcoming America.

5. OBLIGATIONS OF WELCOMING AMERICA

5.1 The Certified Welcoming program of Welcoming America will evaluate all Clients against the Welcoming Standard and Certified Welcoming Policies by means of Audits.

5.2 The Certified Welcoming program of Welcoming America will make available to Clients an up-to-date detailed description of the Audit and Certification procedures, and documents containing the requirements for Certification, the applicant's rights and duties, including Certification Fees.

5.3 The Certified Welcoming program of Welcoming America will provide Clients who are successful in their Certification with a Certificate.

5.4 The Certified Welcoming program of Welcoming America has procedures for receiving allegations, complaints, appeals and disputes received from Clients or third parties about issues related to Certification. Current procedures are described in the Standard Operating Procedures provided as an attachment to this contract.

5.5 The Certified Welcoming program of Welcoming America will only use properly trained and competent Auditors to conduct Audits.

5.6 Welcoming America will publish a list of certified Clients on its website.

5.7 Without disclosing confidential information, Welcoming America will promote certified communities on a regional, local, and international scale. Promotion may include opportunities to represent the Welcoming movement at international gatherings, media coverage, invitations to speak at national events, or inclusion in online and print promotional materials.



6. CONFIDENTIAL AND PUBLIC INFORMATION

6.1 To the extent allowable by law, both Parties agree to maintain each other's Confidential Information confidential. Handling of Confidential Information is described in the Certified Welcoming Standard Operating Procedures provided as an attachment to this contract.

6.2 The following is not considered to be Confidential Information, and may be disclosed by either party:

- a. Information that is in the public domain and/or subject to the Freedom of Information Act;
- b. Information that is lawfully disclosed to either party by a third party without restriction on disclosure;
- c. Information that is independently developed by either party, such as documents containing the name of the Client, scope and status of Certification;
- d. Information the parties agree in writing is not confidential or may be disclosed;
- e. Information that is required to be disclosed by law, by any court of competent jurisdiction or by any regulatory or administrative body; and
- f. All data in aggregated form that is not traceable to an individual entity.

6.3 A party may disclose the other party's Confidential Information to those of its representatives and partners who need to know such Confidential Information for the stated purpose of performing the obligations under this contract provided that:

- a. it informs such representatives and partners of the confidential nature of the Confidential Information prior to disclosure; and
- b. at all times, it is responsible for such representatives' or partner's compliance with the confidentiality obligations set out in this clause.

6.4 Welcoming America warrants to the Client that it maintains agreements with all of its partners that receive Confidential Information ensuring that such Confidential Information will not be disclosed publicly or to the Client's competitors.



7. DURATION AND TERMINATION OF CONTRACT

7.1 This contract will be valid from the Effective Date and will continue in force until terminated according to this clause 7, superseding any previous contract on Certification by the Parties.

7.2 This contract may be terminated by either party for any reason with at least 14 calendar days written notice to the other party.

7.3 Welcoming America may terminate this contract with immediate effect if:

- a. the Client makes incorrect references to the Certification system, uses Certificates or the Welcoming America Certification Mark in a misleading or improper way;
- b. The Client fails to pay applicable Certification Fees;
- c. The Client is decertified;
- d. For a breach of any provision of this contract by the Client where, in case of remedial breach, the Client has failed to remedy the breach within 30 days of receiving notice of the breach from Welcoming America. This includes nonpayment of Certification Fees.

7.4 Upon termination of this contract, Welcoming America is required to publish the change in Certification status as a result of the termination of this contract.

7.5 Termination of this contract does not relieve the Client from its obligation to pay applicable Certification Fees due.

7.6 Termination of this contract will lead to the Client losing its status as Certified Welcoming and result in the following:

- a. The Client will immediately discontinue making any, and will remove all prior, references to Certification with Welcoming America.

8. AMENDMENT

8.1 Any modification of this contract must be mutually agreed upon and shall generally be in writing.

8.2 For practical purposes Welcoming America may decide to modify this contract through written notification three months prior to the



intended effectiveness of the change.

8.3 In the event the Client does not agree with the intended change, the Client may terminate this contract in writing

- a. within 30 days after receipt of the written notification by Welcoming America and
- b. with effectiveness of the termination on the date of the change.

9. INDEMNITY AND LIMITATION OF LIABILITY

9.1 Omitted.

9.2 Omitted.

9.3 Nothing in this contract shall restrict or limit either Party's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this contract.

9.4 Nothing in this contract shall restrict or otherwise limit the Client's authority to conduct business and/or operations as a municipal corporation under the State of Michigan, Home Rule City Act.

10. FORCE MAJEURE

10.1 Neither party will be liable in damages for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its reasonable control including, but not limited to natural disasters, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected. The right to terminate will not be affected.

10.2 If either party is prevented from, or delayed in, performing any duty under this contract, then this party shall immediately notify the other party of the event, of the duty affected, and of the expected duration of the event.

10.3 If any Force Majeure event prevents or delays performance of any duty under this contract for more than sixty days, then either party may on due notification to the other party terminate the contract.

11. ASSIGNMENT



11.1 Neither party may assign, transfer, or in any other manner hand over to any third party the rights or obligations of this contract unless agreed in writing by the other party.

12. LAW AND JURISDICTION

12.1 The exclusive place of performance and jurisdiction for all disputes arising from this contract will be the State of Michigan, for both parties, as far as applicable.

12.2 In the event of a dispute arising out of this contract, the parties may choose to resort to arbitration. The Arbitrator will be agreed upon by both parties and any decision by the Arbitrator will be binding on the parties. The cost of arbitration will be borne by the parties in such proportion as decided by the Arbitrator.

12.3 This contract and all questions concerning its performance, validity, and interpretation shall be governed by the law of the United States.

13. SEVERABILITY

13.1 Should any individual provisions of this contract be or become invalid in part or in whole, or should there be an omission in the present contract, the remaining provisions of the present contract will remain valid.

Agreed and Signed on 10/16/2019.



315 W PONCE DE LEON AVE, STE 500 DECATUR, GA 30030
404 631 6593 certifiedwelcoming.org

WELCOMING AMERICA, INC.,
a Georgia nonprofit corporation

CITY OF DETROIT,
a Michigan municipal corporation

DocuSigned by:
A handwritten signature in black ink, appearing to read "Isha Lee".
17C433F94EC7446...

By: Isha Lee

ITS: Deputy Director

HOUSING & REVITALIZATION DEPT.

DocuSigned by:
A handwritten signature in black ink, appearing to read "Donald Rencher".
679974EC6F2F417

By: Donald Rencher

ITS: Director



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY: 711
(313) 224-1629
WWW.DETROITMI.GOV

November 6, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

**RE: Request for Approval of Qualified Eligible Next Michigan Business,
Next Michigan Renaissance Zone and Related Tax Benefits for
Dakkota Integrated Systems, LLC in the general area of 5941 Van Dyke
in accordance with Public Act 376 of 1996. (Petition No. 1130)**

Honorable City Council:

Petition No. 1130 has been submitted to the Detroit City Clerk on behalf of Dakkota Integrated Systems, LLC (“Dakkota”) for approval of the Detroit Next Michigan Corporation (“DNMDC”) to submit a next Michigan renaissance zone application (“Application”) to the Michigan Strategic Fund (“MSF”) for approval of a next Michigan renaissance zone in the City of Detroit at an approximately 19-acre parcel located in the area generally bounded by vacated Conger to the north, Hendrie to the south, Van Dyke to the east and Townsend to the west (the “Site”).

The proposed next Michigan renaissance zone will help to support Dakkota’s proposed development of the Site as further summarized below.

Company / Project Introduction

Dakkota, a joint venture established in 2001 between majority partner Rush Group LLC and Magna International Inc., is a tier-one and tier-two automotive supplier based in Michigan, that manages complex assembly and sequencing of integrated automotive components for original equipment manufacturers at 14 locations in the U.S. and Canada, with approximately 2,200 employees across those locations.

Dakkota plans to construct and operate a 300,000 square foot manufacturing facility on the Site (the “Project”). Construction is scheduled to begin in December 2019 with an estimated completion date by December 2020. The total project investment at the Site, including building and site improvements and tooling and equipment, is estimated to be at least \$40,000,000.00 and will create a minimum of 419 new jobs in the City of Detroit.

Basis of Eligibility

The Project satisfies DNMDCC program guidelines as follows:

- A supply chain business providing a majority of its services to businesses engaged in the shipment of tangible personal property, including inventory, via multimodal commerce.



- Eligible business is opening a new location in Michigan and plans to create new jobs in Michigan.
- Eligible business has provided proof of financing for 100% of the project.
- The City of Detroit Brownfield Redevelopment Authority (DBRA) has authorized the sale of the 19- acre site to Dakkota and negotiated special provisions for an approved infrastructure improvement plan.
- Eligible business has committed to create a minimum of 419 jobs by December 31, 2021.
- Project has been evaluated to verify that but-for the requested incentives the project would not proceed at this location.
- Project is consistent with city's comprehensive plans and other strategic initiatives including compliance with Executive Order(s) 2014-5 and 2016-1.
- Eligible business demonstrated commitment to a community engagement process and presented proposed site design and hiring commitments at a meeting hold on July 9, 2019 and scheduled to be held on November 12, 2019.
- Site is located within an area identified as having the greatest potential for growth in manufacturing and transportation, distribution, and logistics. Further, the Site is near the planned expansion of Fiat Chrysler's Mack Engine Plant and the Project will support expanded operations at such plant.
- Project provides a net benefit to the City, taking into account the renaissance zone benefits of 15 years as well as additional support through a PA 198 tax abatement – 50% real property tax relief, up to 12 years.

On November 6, 2019, the DNMD Board approved by resolution the following actions with respect to the Dakkota Project: (i) applying for the designation of a next Michigan renaissance zone within the boundaries of a next Michigan development district, (ii) making recommendations for the certification of an eligible next Michigan business as a qualified eligible next Michigan business entitled to exemptions, deductions, and credits; and (iii) making recommendations as to whether a qualified eligible next Michigan business should receive the benefits of a renaissance zone in accordance with Public Act 376 of 1996, as amended.



Pursuant to the Council Resolution approved April 26, 2016 that requires the DNMD to seek approval of Detroit City Council before the DMNDC may exercise its powers under the Act, we hereby request that your Honorable Body approve the attached resolution that authorizes the DNMD to submit the Application to the MSF and also 1) approves the Application, 2) designates the Site as a next Michigan renaissance zone for a period of 10 years, 2) certifies Dakkota as a qualified eligible next Michigan business and 3) grants Dakkota certain tax benefits under the Act for a period of fifteen (15) years.

Respectfully submitted,

Donald Rencher

Director, Housing and Revitalization
Department

cc: Stephanie Washington, Mayor's Office



RESOLUTION

BY COUNCIL MEMBER _____

WHEREAS, pursuant to PA 275 of 2010, the Detroit Next Michigan Development Corporation (“DNMDC”) was established by resolution of the Detroit City Council for the purposes of attracting to the City of Detroit eligible Next Michigan businesses that are engaged in multi-modal activities that present significant job creation and investment opportunities in the City; and

WHEREAS, pursuant to Act 376 of 1996 (the “Renaissance Zone Act”), the DNMDC, as a next Michigan development corporation, may make recommendations to the Michigan Strategic Fund (“MSF”) for businesses to receive certain renaissance zone benefits by: (i) applying for the designation of a next Michigan Renaissance Zone within the boundaries of a next Michigan development district, (ii) making recommendations for the certification of an eligible next Michigan business as a qualified eligible next Michigan business entitled to exemptions, deductions, and credits; and (iii) making recommendations as to whether a qualified eligible next Michigan business should receive the benefits of a renaissance zone; and

WHEREAS, by prior resolution of Detroit City Council establishing the DNMDC and pursuant to the bylaws of the DNMDC, prior to exercising certain powers under the Renaissance Zone Act, the DNMDC must first seek approval of Detroit City Council; and

WHEREAS, Dakkota Detroit, LLC (“Dakkota”) has requested that the DNMDC submit an application, in the form attached hereto as **Exhibit B** (the “Application”), to the MSF for approval of certain tax incentives allowable under the Renaissance Zone Act for Dakkota’s planned 300,000 square foot manufacturing site and approximately \$40 Million investment (the “Project”) on an approximately 19-acre parcel located in the area generally bounded by vacated Conger to the north, Hendrie to the south, Van Dyke to the east and Townsend to the west (the “Site”), as more particularly depicted and described on **Exhibit A** hereto (the “Site”); and

WHEREAS, the DNMDC Board has by resolution approved:

1) the following actions with respect to the Project: (i) apply to the MSF for the designation of a next Michigan renaissance zone for the Site, (ii) making a recommendation to the MSF to certify Dakkota as a qualified eligible next Michigan business entitled to exemptions, deductions, and credits on the basis of the Application; and (iii) making a recommendation to the MSF that Dakkota and the Project receive benefits of a renaissance zone for a period of 15 years; and

2) the Application, together with such changes to the Application the DNMDC staff deems necessary or appropriate to ensure the accuracy of supplemental



documentation, including but not limited to parcel information, community engagement strategies and additional information to demonstrate compliance with workforce and procurement strategies to promote the hiring of Detroit residents; and

WHEREAS, the DNMD C Board has authorized DNMD C staff to submit the Application to the City Clerk, together with a request that the Detroit City Council take all actions required to approve the Application; and

NOW THEREFORE BE IT RESOLVED, that Detroit City Council hereby approves the Application, together with any such subsequent changes to the Application that the DNMD C staff deems necessary or appropriate and that the Housing and Revitalization Department (“HRD”) Director, or his authorized designee, approves to ensure the accuracy of supplemental documentation, including but not limited to parcel information, community engagement strategies and additional information to demonstrate compliance with workforce and procurement strategies to promote the hiring of Detroit residents; and be it further

RESOLVED, that Detroit City Council hereby approves the following actions with respect to the Project: (i) designation of a next Michigan renaissance zone for the Site, (ii) certification of Dakkota as a qualified eligible next Michigan business entitled to exemptions, deductions, and credits, on the basis of the Application in **Exhibit B**; and (iii) that Dakkota and the Project shall receive the benefits of a next Michigan renaissance zone for a period of fifteen (15) years; and be it further

RESOLVED, that the Detroit City Council hereby authorizes the DNMD C to submit the Application, as well as any other documents required to effectuate the Detroit City Council approvals given herein, to the Michigan Strategic Fund for approval; and be it further

RESOLVED, that Detroit City Council hereby 1) approves the DNMD C Renaissance Zone Development Agreement that is attached hereto and made part hereof as **Exhibit C** and 2) authorizes the HRD Director, or his authorized designee, to execute the DNMD C Renaissance Zone Development Agreement, as well as such other documents as may be necessary to effectuate the intent of this resolution on behalf of the City of Detroit.



EXHIBIT A

Site Description

Land in the City of Detroit, Wayne County, Michigan, described as follows:

PART OF POTTER'S SUBDIVISION OF THE EAST PART OF P.C. 390, NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 13 OF PLATS, PAGE 92, AND PART OF GEO. H. MARTZ'S SUBDIVISION OF THE WEST PART OF P.C. 390, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 14 OF PLATS, PAGE 5, AND PART OF WILLIAMS TAIT'S SUBDIVISION OF PART OF CHURCH FARM (P.C. 16) NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 16 OF PLATS, PAGE 87 IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 115 OF SAID POTTER'S SUBDIVISION; THENCE SOUTH 62 DEGREES 50 MINUTES 00 SECONDS WEST 540.64 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE BOULEVARD (80.00 FEET WIDE); THENCE SOUTH 26 DEGREES 56 MINUTES 05 SECONDS EAST 17.16 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF BALDWIN AVENUE (60.00 FEET WIDE); THENCE SOUTH 62 DEGREES 50 MINUTES 18 SECONDS WEST 883.46 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 11 MINUTES 09 SECONDS WEST 313.98 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF FIELD AVENUE (66.00 FEET WIDE); THENCE NORTH 62 DEGREES 51 MINUTES 21 SECONDS EAST 609.28 FEET ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF MEDBURY AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 15 MINUTES 02 SECONDS WEST 470.62 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF TOWNSEND AVENUE (60.00 FEET WIDE); THENCE NORTH 62 DEGREES 47 MINUTES 32 SECONDS EAST 278.16 FEET; THENCE NORTH 64 DEGREES 10 MINUTES 27 SECONDS EAST 60.01 FEET; THENCE NORTH 62 DEGREES 36 MINUTES 31 SECONDS EAST 450.49 FEET ALONG A LINE PARALLEL WITH AND 30 FEET SOUTHERLY OF THE NORTHERLY LINE OF CONGER AVENUE (60.00 FEET WIDE); THENCE SOUTH 29 DEGREES 11 MINUTES 01 SECOND EAST 768.33 FEET TO THE POINT OF BEGINNING.



Site Depiction

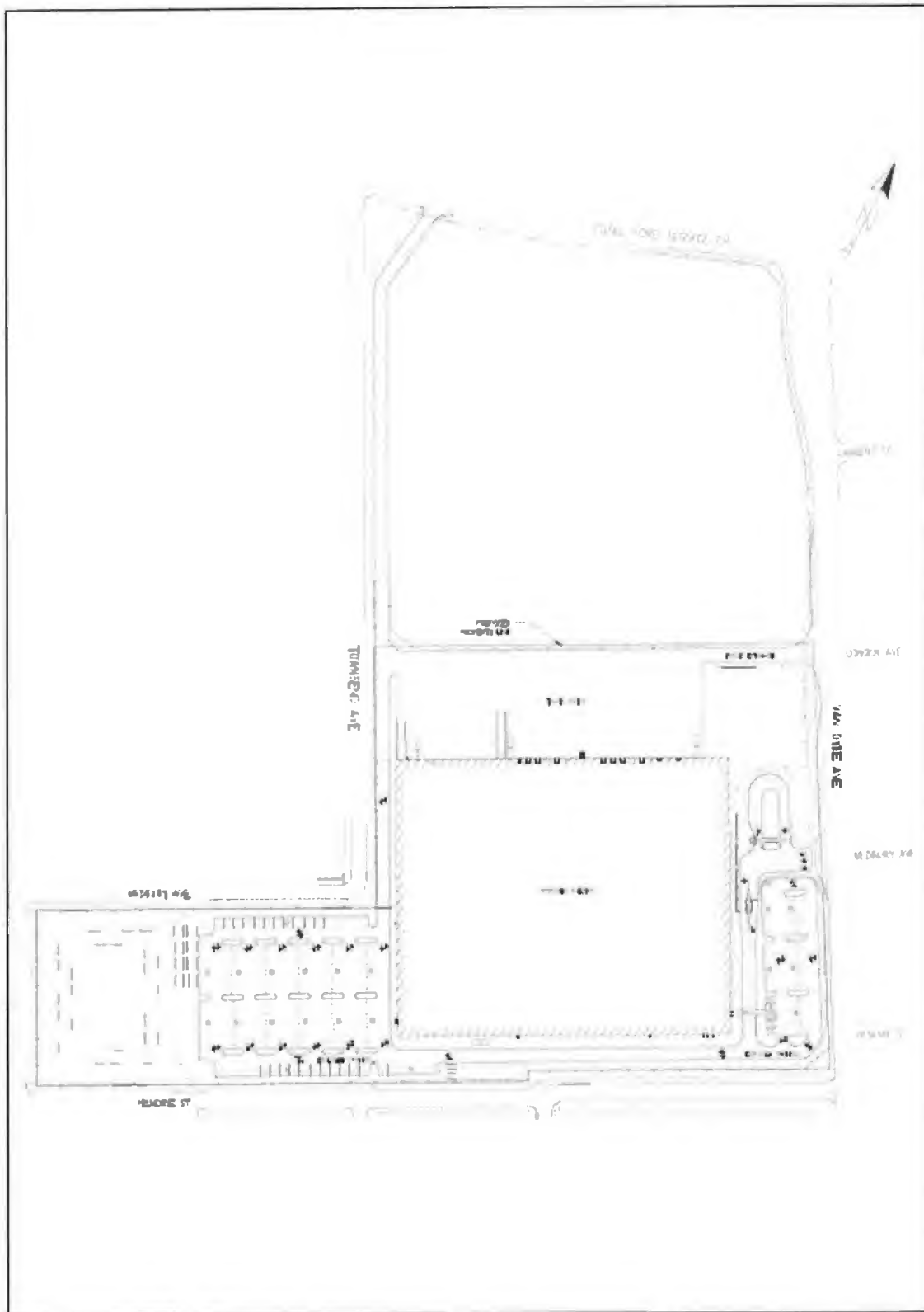




EXHIBIT B
Application to the Michigan Strategic Fund



EXHIBIT C

City of Detroit DNMDC Renaissance Zone Development Agreement

City of Detroit
OFFICE OF THE CITY CLERK

Janice M. Winfrey
City Clerk

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENTAL REFERENCE COMMUNICATION

Wednesday, November 6, 2019

To: The Department or Commission Listed Below

From: Janice M. Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

PLANNING AND DEVELOPMENT DEPARTMENT HOUSING AND REVITALIZATION
FINANCE DEPARTMENT LAW DEPARTMENT
LEGISLATIVE POLICY DIVISION

1130 *Dakkota Integrated Systems, LLC, request for Approval of a Renaissance Zone, Certification as a Qualified Eligible Next Michigan Business and approval of Renaissance Zone Benefits. (P.A. 376 of 1976, as amended)*

Hand Delivered

November 6, 2019

Office of Detroit City Clerk
2 Woodward Avenue
Coleman A. Young Municipal Center
Suite 200
Detroit, MI 48226

**Re: *Application for Approval of a Renaissance Zone, Certification as a Qualified Eligible
Next Michigan Business and approval of Renaissance Zone Benefits, from
Dakkota Integrated Systems, L.L.C. (P.A. 376 of 1976, as amended)***


Ladies and Gentlemen:

Enclosed please find two copies of a Renaissance Zone Application for Dakkota Integrated Systems, L.L.C. in connection with the proposed construction and operations at an approximately 300,000 square foot manufacturing facility on a portion of the former Kettering High School and Rose Elementary School in the vicinity of 6101 Van Dyke Avenue, south of I-94. The applicant intends to hire 419 employees at the new facility in 2020 and 2021. This application was submitted to the Detroit Next Michigan Development Corporation, which is scheduled to consider the application in the near future.

Thank you for your assistance.

Very truly yours,

HONIGMAN LLP

By: 
Richard A. Barr

Encs.

cc (w/enc.): Kenyetta Hairston-Bridges, DEGC
Matthew Langston, HRD

CITY CLERK 2019 NOV 6 AM 9:59



Renaissance Zone Application

The Detroit Next Michigan Development Corporation (D-NMDC) Renaissance Zone Application requires completion of five (5) sections and submission of various attachments.

Required attachments include, but are not limited to:

- (1) Authorizing Resolution from Detroit City Council
- (2) Geographic map showing proposed D-NMDC Renaissance Zone
- (3) Property parcel map
- (4) Site plan
- (5) Pro-forma

Depending upon the project, other attachments may be required.

Completion Checklist

- ☐ Application is complete and signed by an Authorized Representative
- ☐ Authorizing Resolution from Detroit City Council
- ☐ Description of types of new jobs, required skill sets, and degree requirements
- ☐ Application demonstrates creation of at least 400 jobs
- ☐ Site plan (if applicable)
- ☐ Legal description of property
- ☐ Map of eligible D-NMDC Renaissance Zone
- ☐ Property parcel map (including parcel boundaries, parcel numbers, present use, buildings or structures, and total acreage)
- ☐ Financial Commitments (e.g., firm monetary commitment letter from financial institution(s) or two (2) years audited annual financial statements or proof of financial assets committed to project)
- ☐ Commitment letter(s) from public funding source(s)
- ☐ Project Pro-forma (if applicable)
- ☐ Two (2) copies of most recent real property tax bills

Applicable Fees

- ☐ Application Fee - \$1,000 (made payable to MSF)
- ☐ Processing Fee - 1% of the total taxes abated during the term that the exemption certification is in effect (minimum - \$3,000 and maximum - \$30,000 (made payable to D-NMDC))



Renaissance Zone Application

Section I Company Profile

Company Name	Dakkota Integrated Systems, L.L.C.
Company Address (registered)	123 Brighton Lake Rd., Brighton, MI 48116
Company EIN	38-3609324
Primary NAICS Code(s)	336360
No. of Years applying for Renaissance Zone	15
Name (Authorized Signatory)	Mark McCauley
Title (Authorized Signatory)	COO
Phone Number Fax Number	(248) 768-1359
E-mail Address	Mark.McCauley@dakkotasystems.com
Please provide a detailed description of your business' history and background, including products and/or services.	<p>A joint venture established in 2001 between majority partner Rush Group LLC and Magna International Inc., Dakkota Integrated Systems, a tier-one and tier-two automotive supplier based in Michigan, manages complex assembly and sequencing of integrated automotive components for original equipment manufacturers at 14 locations in the U.S. and Canada. The company is engaged in multi-modal commerce through its shipping and receipt of a majority of components and products by air and truck. Our 2,200 experienced and passionate team members are driven to provide customer excellence through world-class service, quality products and innovative solutions. Our award-winning quality is the result of the commitment to superior customer service.</p>



Section II Project Description

Project Overview

Provide a three (3) year project overview, including expected total private investment amount, equipment to be purchased, type of building to be constructed OR purchased, and any necessary infrastructure improvements, etc.

The Dakota Kettering facility will break ground in late 2019 and will be erected by mid-summer 2020. The assembly plant will be starting production in December 2020. The total building and site investment is expected to be approximately \$38 million. The building will have a pre-cast foundation with pre-engineered aluminum siding and various windows. The building will house one-story office space for the assembly plant. The tooling, equipment and capital investment for the project will cost approximately \$40 million.

Project Timeline

Start / Completion dates for investment

Investment is projected to commence on or about 11/20/19 with purchase of the land and the construction of the site improvements and building which are expected to be completed in 2020.

Job Creation

Number of jobs to be retained or new jobs to be created at the facility and percentage (%) of jobs being transferred from another Michigan location

Please attach description of new jobs, required skill sets, and degree requirements

419 new jobs, of which none is expected to be transferred from other Michigan locations. See attached job descriptions.

Jobs Detail

Average weekly wages for jobs being created and final date for creation of all jobs

Please detail job creation, year by year, over a three (3) year period

Wages for 369 hourly employees are expected to average \$45,000/year or \$865/week.

Wages for 50 salaried employees are expected to average \$75,000/year or \$1,442/week.

Estimated Job Creation: 165 in 2020 and 254 in 2021.



Section II Project Description (Cont.)

Economic Impact

Detail the anticipated economic impact on the city of Detroit

The company seeks to hire Detroit residents for a substantial portion of its workforce. The company will utilize multiple tools to accomplish this goal, including Detroit at Work.

Site Selection

Is this project being competitively-sited? If so, what other communities are being considered for this project?

The company considered locations in Hazel Park, Toledo and other cities before arriving at Detroit as its preferred location.

Project Need

All applications must demonstrate that "but for" the abatement, the proposed project would not be feasible (i.e., higher cost projections after taxes and other estimated costs of doing business, such as lease rates, increased training budget due to lack of skilled workforce, millage rates are considerably higher as compared to other sites under consideration).

The company has evaluated various factors which cause it to be more expensive to operate in the City of Detroit, including property tax rates, cost of labor, high training costs, higher construction costs due to site conditions and elevated construction prices due to the shortage of skilled labor.

Project Materials

Please describe the type, quantity, and percentage (%) of Michigan commodities / raw material that will be purchased for use in the Detroit NMDC Renaissance Zone and percentage (%) purchased out-of-state

The sources of materials are not yet identified.



Section III Property Information

Property Map

Attach a property parcel map, including boundaries of proposed Renaissance Zone, parcel numbers, present use, buildings and structures, and total acreage.

See attached.

Property Ownership

Provide confirmation that applicant has ownership or control of property.

If not the owner, include property owner's name and title.

The property is being purchased from the Detroit Public Schools Community District, which in turn sell the property to the company at its cost.

Property Description

Provide a legal description of the property.

See attached.

Site Plan

Attach a copy of the site plan (if applicable)

See attached conceptual plan. A site plan will be finalized and provided in the near future.

Permitting

List State and local permits required for the project.

1. City building permits.
2. Stormwater permits.
3. Various right of way permits.
4. Abandonment or vacation of various rights of way and utilities.



Section III Property Information (Cont.)

Infrastructure Improvements

Describe any necessary Infrastructure Improvements needed to make site viable for Industrial redevelopment.

1. Asbestos abatement and demolition of Rose Elementary School.
2. Demolition of various site Improvements.
3. Termination of various underground utilities, including multiple gas and electric lines, and relocation of a gas line at Medbury Street.
4. Improvements and curb cuts on Van Dyke and the I-94 service drive.
5. Traffic light on Van Dyke.
6. Substantial site grading and other site preparation work.

Section IV Financial Commitments

Acceptable Documents

Attach one or all of the following (must include dollar values):

- 1) Firm monetary commitment letter from financial institution(s)
- 2) Two (2) years of Audited Annual Financial Statements or similar proof of financial solvency as determined by D-NMDC.
- 3) Proof of Financial Assets to be used for the project
- 4) Identify all public programs, public funding sources and public incentives that we be utilized (attach commitment letters)
- 5) Project Pro-Forma (if applicable)

Section V Tax Information

Estimate annual savings of property taxes for the company after the Renaissance Zone designation

The estimated annual property tax savings from the combined effect of the Renaissance zone and the requested PA 198 abatement is approximately \$300,000, subject to changes in assessed value and tax rates.

Provide existing state equalized value and taxable value on the property

Current SEV and TV is \$0 due to ownership by the Detroit Public Schools Community District.

Proof that taxes are current (attach two (2) copies of most recent real property tax bills attachments)

Not applicable due to current ownership by DPSCD.

**COMPANY CONSENT AND CERTIFICATION**

I, Mark McCauley, CERTIFY THAT THE INFORMATION PROVIDED IN THIS APPLICATION IS COMPLETE, TRUE AND ACCURATE. I ALSO CERTIFY THAT THERE ARE NO SUITS OR PROCEEDINGS, PENDING, OUTSTANDING, OR TO THE BEST OF MY KNOWLEDGE, THREATENED, BEFORE ANY COURT, GOVERNMENTAL COMMISSION, BOARD, BUREAU OR OTHER ADMINISTRATIVE AGENCY OR TRIBUNAL, WHICH, IF RESOLVED [AGAINST THE COMPANY] WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE FINANCIAL CONDITION OR BUSINESS OF THE COMPANY.

Name (SIGNATURE)

Date

October 30, 2019

Name (PRINT)

Mark McCauley

Title

COO

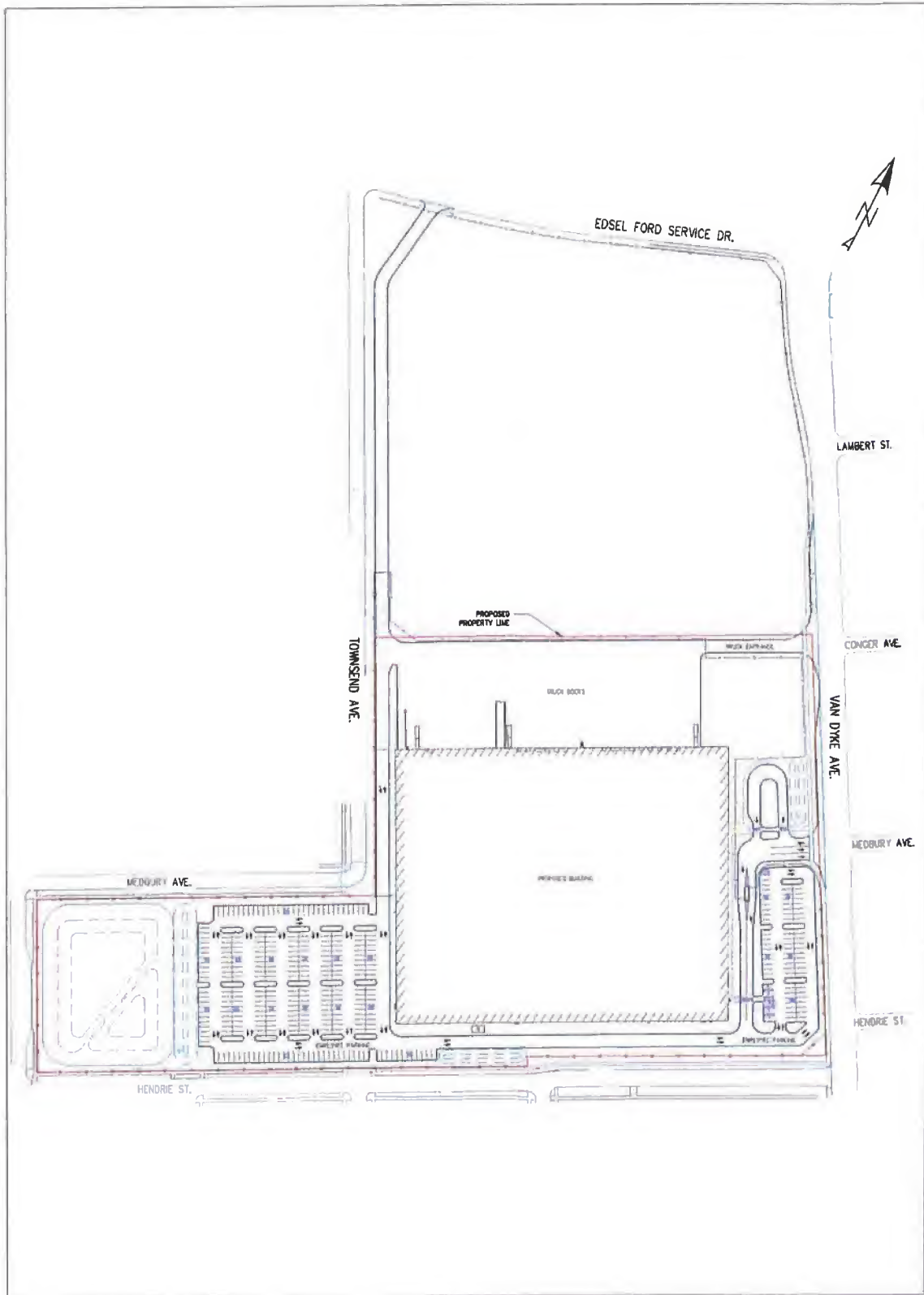
Proposed Renaissance Zone

Dakota Parcel Legal Description

Land in the City of Detroit, Wayne County, Michigan, described as follows:

PART OF POTTER'S SUBDIVISION OF THE EAST PART OF P.C. 390, NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 13 OF PLATS, PAGE 92, AND PART OF GEO. H. MARTZ'S SUBDIVISION OF THE WEST PART OF P.C. 390, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 14 OF PLATS, PAGE 5, AND PART OF WILLIAMS TAIT'S SUBDIVISION OF PART OF CHURCH FARM (P.C. 16) NORTH OF GRATIOT AVE., ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 16 OF PLATS, PAGE 87 IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 115 OF SAID POTTER'S SUBDIVISION; THENCE SOUTH 62 DEGREES 50 MINUTES 00 SECONDS WEST 540.64 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE BOULEVARD (80.00 FEET WIDE); THENCE SOUTH 26 DEGREES 56 MINUTES 05 SECONDS EAST 17.16 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF BALDWIN AVENUE (60.00 FEET WIDE); THENCE SOUTH 62 DEGREES 50 MINUTES 18 SECONDS WEST 883.46 FEET ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF HENDRIE AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 11 MINUTES 09 SECONDS WEST 313.98 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF FIELD AVENUE (66.00 FEET WIDE); THENCE NORTH 62 DEGREES 51 MINUTES 21 SECONDS EAST 609.28 FEET ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF MEDBURY AVENUE (60.00 FEET WIDE); THENCE NORTH 27 DEGREES 15 MINUTES 02 SECONDS WEST 470.62 FEET ALONG THE EASTERLY RIGHT-OF-WAY LINE OF TOWNSEND AVENUE (60.00 FEET WIDE); THENCE NORTH 62 DEGREES 47 MINUTES 32 SECONDS EAST 278.16 FEET; THENCE NORTH 64 DEGREES 10 MINUTES 27 SECONDS EAST 60.01 FEET; THENCE NORTH 62 DEGREES 36 MINUTES 31 SECONDS EAST 450.49 FEET ALONG A LINE PARALLEL WITH AND 30 FEET SOUTHERLY OF THE NORTHERLY LINE OF CONGER AVENUE (60.00 FEET WIDE); THENCE SOUTH 29 DEGREES 11 MINUTES 01 SECOND EAST 768.33 FEET TO THE POINT OF BEGINNING.

Site Depiction



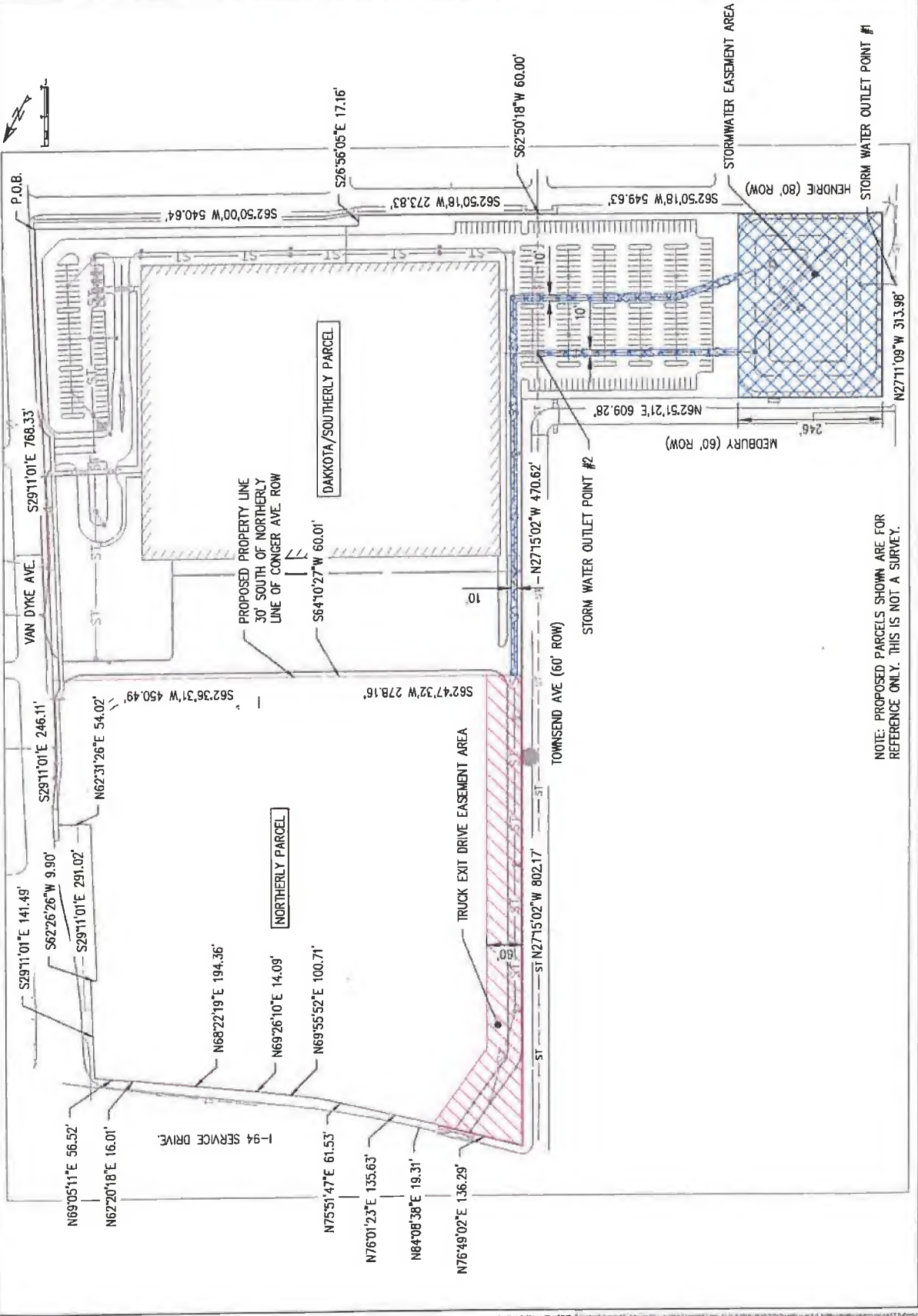
65 CADILLAC SQUARE
 SUITE 3311
 DETROIT, MI 48226
 TEL: 313.961.9500
 FAX: 313.961.9509



DAKKOTA
 KETERING PLANT

PROPOSED
 PARCEL LINES &
 EASEMENTS

2



NOTE: PROPOSED PARCELS SHOWN ARE FOR
 REFERENCE ONLY. THIS IS NOT A SURVEY.

Property Parcels Map
(to be attached)

Descriptions of New Jobs on Following Pages



JOB DESCRIPTION

Job Title:	Material Handler			Dept:	Materials
FLSA:	Hourly Non-Exempt	Issue Date:	04/01/2002	Revision Date:	8/2/2019

Note: Direct reporting structure is based on division organization charts.

Key Areas of Responsibility (Answerable for the following end results)

- Drive/operate fork truck, tugger and/or cherry picker in a fast paced manufacturing environment.
- Organize & stock material supplies to meet production requirements and inventory control in a timely manner.
 - Pick and store in sequential order as needed.
 - Deliver material to the production lines - Ensure production areas are fully stocked prior to end of shift relief.
 - Bring empty dunnage to the receiving or bailer.
 - Organize and maintain general storage areas
- Maintain a safe and clear access to all doorways and foot traffic areas.
- Adheres to all safety rules and wears required Personal Protection Equipment.
- Observe and report maintenance issues on powered industrial trucks, including daily assessments.
- Support plant wide material organization and housekeeping goals.
- Rotate all material to ensure 100% First In First Out (FIFO).
- Participate in plant inventories and material reorganization activity, as required.
- Maintain powered industrial truck certification, and attend update training, as needed.
- Remove cardboard to the bailer area.
- Bail cardboard and place bails in appropriate storage trailer locations and enforce recycling programs.
- Document all activities as required.
- Adhere to all company guidelines for Emergency Evacuation to ensure employee safety.
- Any additional responsibility deemed necessary by management.

Limits of Authority

- Advise Department Manager of those situations that may pose a significant risk to the program, product assurance, facilities, and employee safety or customer satisfaction results.
- Initiate actions to prevent the occurrence of any nonconformance relating to product, process & systems.
- Identify and record any problems relating to the product, process or system.
- Initiate, recommend or provide solutions through the appropriate channels and verify implementation.
- Control further processing and delivery of nonconforming product until the deficiency is corrected.

Basic Education, Experience and Skills Required

- High School Diploma or equivalent *preferred*.
- Good written and mathematical skills.
- Good communication and team working skills.
- Powered Industrial Truck Certification.
- Familiar with quality specifications and documentation in an automotive environment a plus.
- Able to maintain confidential information.

Internal Training Requirements

Required Training (Minimum Requirements)

- Dakota Orientation
- Dakota Vision and Culture
- Departmental Training
 - Process – Materials Management
 - Process – Shipping Management
 - Hazardous Communication
 - Spill Prevention
 - Battery Change Out
 - Min / Max Inventory
- Company Training

APPROVAL



JOB DESCRIPTION

Job Title:	Material Handler			Dept:	Materials
FLSA:	Hourly Non-Exempt	Issue Date:	04/01/2002	Revision Date:	8/2/2019

Note: Direct reporting structure is based on division organization charts.

- o BOS Overview
- o Information Technology
- o Quality Mission Statement

Health, Safety and Physical Demand Requirements

- Standing and sitting in a manufacturing environment, minor lifting and pushing of material and equipment.
- Must be able to tolerate working at heights up to twenty-five (25) feet.
- 50 pounds lifting
- Able to tolerate sitting for 8 hours or more
- Occasional lifting, climbing, carrying, pulling, griping, grasping and reaching 11-64% of work day
- Hand and eye coordination

Risks Associated with Job Function

- None

Travel Requirements

- None
-

The above points have been explained sufficiently.

Employee's Name (Please Print)

Date

Employee's Signature

APPROVAL



JOB DESCRIPTION

Job Title:	Operator/Production			Dept:	Production
FLSA:	Hourly Non-Exempt	Issue Date:	04/01/2002	Revision Date:	01/03/2018

Note: Direct reporting structure is based on division organization charts.

Key Areas of Responsibility (Answerable for the following end results)

- Operate production tooling and equipment in a manner that achieves production and quality goals and standards.
- Assist in maintaining Business Operating System integrity and alerting those situations that do not meet the quality system requirements to management.
- Maintain integrity of tooling and equipment necessary to perform work.
- Disposition and move suspect assemblies or components to Non-Conforming or assembly rework area.
- Work in a manner that promotes teamwork among fellow workers.
- Communicate effectively with direct supervision on all aspects of the job performance, including across all shifts.
- Accurately complete all paperwork associated with the job assignment.
- Document all activities as required.
- Adhere to all company guidelines for Emergency Evacuation to ensure employee safety.
- Any additional responsibility deemed necessary by management.

Limits of Authority

- Advise Department Manager of those situations that may pose a significant risk to the program, product assurance, facilities, employee safety or customer satisfaction results.
- Initiate actions to prevent the occurrence of any nonconformance relating to product, process & systems.
- Identify and record any problems relating to the product, process or system.
- Initiate, recommend or provide solutions through the appropriate channels and verify implementation.
- Control further processing and delivery of nonconforming product until the deficiency is corrected.

Basic Education, Experience and Skills Required

- High School Diploma or equivalent preferred.
- Good written and mathematical skills.
- Good communication and team working skills.
- Possesses color and/or appearance testing approval where applicable.
- Familiar with quality specifications and documentation in an automotive environment a plus.

Dakota University Training (Minimum Requirements)

- Dakota Orientation
- Dakota Vision and Culture
- Departmental Training
 - Process 06 – Dakota Production System
 - Process 12 – Preventive, Corrective and Nonconformance Management
- Company Training
 - Quality Mission Statement

Health, Safety and Physical Demand Requirements

- 50 pounds lifting.
- Able to tolerate standing for 8 hours or more.
- Occasional lifting, climbing, carrying, pulling, gripping, grasping and reaching 11-64% of work day.
- Hand and eye coordination.

Risks Associated with Job Function

- None
-

APPROVAL



JOB DESCRIPTION

Job Title:	Operator/Production			Dept:	Production
FLSA:	Hourly Non-Exempt	Issue Date:	04/01/2002	Revision Date:	01/03/2018

Note: Direct reporting structure is based on division organization charts.

Travel Requirements

- None

The above points have been explained sufficiently.

Employee's Name (Please Print)

Date

Employee's Signature

APPROVAL



JOB DESCRIPTION

Job Title:	Production Team Lead		Dept:	Production
FLSA:	Hourly Non-Exempt	Issue Date:	10/22/2002	Revision Date: 01/03/2018

Note: Direct reporting structure is based on division organization charts.

Key Areas of Responsibility (Answerable for the following end results)

- Ensure all department personnel adhere to all safety rules and report unsafe conditions as soon as reasonably possible.
- Train all team members in all aspects of their assignments of being able to fully assemble/build appropriate product from start to finish.
 - Conduct random reviews/audits to ensure team members are following standardized operating procedures.
- Communicate changes and/or adjustments to the job functions to all team members.
- Coordinate activities of production personnel operating equipment, including on time shipment of the product. Be aware of internal and customer banks and truck window times.
- Meet or exceed productivity and quality standards using all resources and support available.
- Communicate with all members of the department, by continually updating them on all information affecting the efficient and safe operations within the work environment.
- Maintain all information as required to populate the production team boards including hourly records of production, scrap, rework and downtime.
- Track training, scrap and safety.
- Accurately and promptly complete all paperwork associated with the position.
- Coordinate production part rework activity, as needed.
- Provide support as needed, and lead the team in a manner that promotes morale, trust and teamwork.
- Ensure employee-training matrix / records are updated and maintained.
- Rework / repair product as necessary before shipment.
- Adhere to all company, state and federal regulations.
- Assist Supervisors and Department Managers as needed.
- Document all activities as required.
- Adhere to all company guidelines for Emergency Evacuation to ensure employee safety.
- Any additional responsibility deemed necessary by management.

Limits of Authority

- Advise Supervisor of those situations that may pose a significant risk to the program, product assurance, facilities, employee safety or customer satisfaction results.
- Initiate actions to prevent the occurrence of any nonconformance relating to product, process & systems.
- Identify and record any problems relating to the product, process or system.
- Initiate, recommend or provide solutions through the appropriate channels and verify implementation.
- Control further processing and delivery of nonconforming product until the deficiency is corrected.
- Assist in the disposition of product to determine conformance.

Basic Education, Experience and Skills Required

- High school diploma or equivalent is required to be completed within 1 year from the date of promotion.
- Minimum 2 years related experience in automotive / manufacturing environment or leadership role in a business.
- Demonstrated understanding of DC electricity.
- Experience using repair and assembly hand / power tools.
- Launch prototype, fabrication, new program experience preferred.
- Experience with creating / modifying job elements helpful.
- Excellent written, mathematical and analytical skills.
- Demonstrated use of fine motor skills.
- Possess good technical understanding of processes.
- Ability to color and/or appearance test product.
- Demonstrated organizational, leadership and communication skills.
- Able to maintain confidentiality.

APPROVAL



JOB DESCRIPTION

Job Title:	Production Team Lead			Dept:	Production
FLSA:	Hourly Non-Exempt	Issue Date:	10/22/2002	Revision Date:	01/03/2018

Note: Direct reporting structure is based on division organization charts.

Dakota University Training (Minimum Requirements)

- Dakota Orientation
- Dakota Vision and Culture
- Departmental Training
 - Process 06 – Dakota Production System
 - Process 12 – Preventive, Corrective and Nonconformance Management
 - Clark Broadcast Database Overview
- Company Training
 - BOS Overview
 - Information Technology
 - Quality Mission Statement

Health, Safety and Physical Demand Requirements

- Normal amount of sitting and standing, average mobility to move around an office and plant environment, able to conduct normal amount of work on a computer.

Risks Associated with Job Function

- None

Travel Requirements

- None

The above points have been explained sufficiently.

Employee's Name (Please Print)

Date

Employee's Signature

APPROVAL

Evidence of Available Financial Assets
(see following page)

Midwest Region
Global Commercial Banking
Bank of America, N.A.

Bank of America
Merrill Lynch

October 29, 2019

Gary Caldwell
Chief Financial Officer
Dakkota Integrated Systems, LLC
123 Brighton Lake Rd, Suite 202
Brighton, MI 48116

RE: Bank Reference Letter

Dear Gary:

Please accept this letter as confirmation that Dakkota Integrated Systems, LLC (the "Customer") has been a client of Bank of America, N.A. (the "Bank") since 2002. During this period, the Customer has satisfactorily fulfilled its obligations to the Bank.

The Bank has established a secured credit facility with Customer that is comprised of a Term Loan in the Low 7 figure range and a Line of Credit which has a Medium 8 figure range commitment and a Medium 7 figure average outstanding. The availability of funds under the Credit Facility is subject to certain terms, conditions and covenants set forth in the Credit Facility.

The Customer currently has cash, marketable securities or other investments on deposit with the Bank and its affiliates in the Low 7 figure range.

This letter is being provided as a matter of courtesy at the request of the Customer. Please note that the information provided by the Bank in this letter is given as of the date of this letter and is subject to change without notice, and is provided in strict confidence to you for your own use only, without any responsibility, guarantee, representation, warranty (expressed or implied), commitment or liability on the part of the Bank, its parents, subsidiaries or affiliates or any of its or their directors, officers or employees to you or any third party, and none of them assumes any duties or obligations to you in connection herewith or any transaction between you or your affiliates and the Customer. This letter is not to be quoted or referred to without the Bank's prior written consent. The Bank cannot provide any opinions of the creditworthiness of the Customer or any of its affiliates, and the above information does not constitute an opinion of the Bank of the ability of the Customer to successfully perform its obligations under any agreement it may enter into with you, the Bank or any other person or entity.

The Bank has no duty and undertakes no responsibility to update or supplement the information set forth in this letter.

Very truly yours,

By: _____
Jerome J. Henson
Senior Vice President

2019-11-06

1130

- 1130 *Petition of Dakota Integrated Systems, LLC, request for Approval of a Renaissance Zone, Certification as a Qualified Eligible Next Michigan Business and approval of Renaissance Zone Benefits. (P.A. 376 of 1976, as amended)*

REFERRED TO THE FOLLOWING DEPARTMENT(S)

PLANNING AND DEVELOPMENT DEPARTMENT
HOUSING AND REVITALIZATION
FINANCE DEPARTMENT LAW DEPARTMENT
LEGISLATIVE POLICY DIVISION

Parcel Number	Property Class	Property Address	Owner Name	Legal Description	Acreage
17000848.	201	7701 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 128 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 35.07 X 100	0.080
17000849.	402	7707 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 129 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000850.	402	7713 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 130 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000851.	402	7719 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 131 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000852.	402	7725 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 132 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000853.	402	7731 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 133 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17000854.	402	7737 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 134 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 35.07 X 100	0.080
17000855.	402	7747 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 123 POTTERS SUB L13 P92 PLATS, W C R 17/102 24.25 X 100	0.055
17000856.	402	7749 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 122 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000857.	402	7755 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 121 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000858.	202	7761 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 120 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000859.	402	7767 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 119 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000860.	402	7773 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 118 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000861.	402	7779 HENDRIE	DETROIT PUBLIC SCHOOLS	N HENDRIE 117 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069

17000886.	402	7766 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 111 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 IRREG	0.074
17000887.	402	7760 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 110 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100	0.069
17000888.	402	7754 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 109 E 10.36 FT 108 POTTERS SUB L13 P92 PLATS, W C R 17/102 40.36 X 100	0.092
17000889.	402	7744 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY W 19.64 FT 108 107 POTTERS SUB L13 P92 PLATS, W C R 17/102 40 X 100	0.092
17000890.	402	7736 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 121 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.64 X 100	0.062
17000891.	402	7734 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 122 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.50 X 100	0.062
17000892.	402	7730 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 123 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.50 X 100	0.062
17000893.	402	7724 MEDBURY	DETROIT PUBLIC SCHOOLS	S MEDBURY 124 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 26.50 X 100	0.062
17000894.	402	5904 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 540&539 WM TAITS SUB L16 P87 PLATS, W C R 17/104 60 X 100	0.138
17000895.	402	7617 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 538 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000896.	402	7623 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 537 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000897.	402	7629 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 536 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000898.	402	7635 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 535 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000899.	402	7641 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 534 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 100	0.069
17000900-7	402	7647 MEDBURY	DETROIT PUBLIC SCHOOLS	N MEDBURY 533 & 532WM TAITS SUB L16 P87 PLATS, W C R 17/104 66.09 IRREG	0.153
17010043.	402	5941 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 80 EXC S 1 1/2 FT POTTERS SUB L13 P92	0.070

				PLATS, W C R 17/102 28.5 IRREG	
17010044.	402	5931 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE S 1 1/2 FT 80 81 POTTERS SUB L13 P92 PLATS, W C R 17/102 31.5 X 100.07	0.073
17010045.	402	5925 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 82 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100.07	0.069
17010046-52	402	5905 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 83 THRU 86POTTERS SUB L13 P92 PLATS. W C R 17/102 126.15 IRREG	0.286
17010053.	402	5837 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 112 POTTERS SUB L13 P92 PLATS, W C R 17/102 40 IRREG	0.097
17010054.	402	5831 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 113 POTTERS SUB L13 P92 PLATS, W C R 17/102 30 X 100.07	0.069
17010055.	402	5825 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 114 POTTERS SUB L13 P92 PLATS, W C R 17/102 30.07 IRREG	0.065
17010056.	402	5805 VAN DYKE	DETROIT PUBLIC SCHOOLS	W VAN DYKE 116&115 POTTERS SUB L13 P92 PLATS, W C R 17/102 100.07 IRREG	0.133
17011352.	402	5824 BALDWIN	DETROIT PUBLIC SCHOOLS	E BALDWIN 127 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 30 X 100	0.069
17011353.	402	5830 BALDWIN	DETROIT PUBLIC SCHOOLS	E BALDWIN 126 GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 35 X 100	0.080
17011355-428	202	5850 BALDWIN	DETROIT PUBLIC SCHOOLS	E BALDWIN 91 THRU 120GEO H MARTZS SUB L14 P5 PLATS, W C R 17/103 76 THRU 79 87 THRU 106POTTERS SUB L13 P92 PLATS, W C R AND VAC PHELPS AVE AND VAC ALLEYS ADJ 17/102 432 IRREG	4.393
17011429.	202	5977 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 512 WM TAIT'S SUB L16 P87 PLATS, W C R 17/104 32 X 142.2A	0.104
17011430.	202	5973 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 515 WM TAIT'S SUB L16 P87 PLATS, W C R 17/104 30 X 142.04A	0.098

17011431.	202	5969 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 516 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 141.88A	0.098
17011432.	202	5963 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 519 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 141.73A	0.098
17011433.	402	5957 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 520 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 141.57A	0.098
17011434.	402	5951 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 523 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 141.42A	0.097
17011435.	402	5945 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 524 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 141.26A	0.097
17011436.	402	5935 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 527 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 141.11A	0.097
17011437.	402	5929 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 528 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 140.95A	0.097
17011438.	402	5921 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 531 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 32 X 140.79A	0.104
17011439.001	402	5859 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 672 EXC W 66 FT THEREOF WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 73.70 AV	0.051
17011439.002L	402	5853 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 671 EXC W 66 FT THEREOF WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 73.55 AV	0.051
17011440.001	402	7638 MEDBURY	DETROIT PUBLIC SCHOOLS	W BALDWIN E 39 FT OF W 66 FT 672 E 39 FT OF W 66 FT 671 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 60 X 39	0.054
17011440.002L	402	7630 MEDBURY	DETROIT PUBLIC SCHOOLS	W BALDWIN W 27 FT 672 W 27 FT 671 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 60 X 27	0.037
17011441.	402	5849 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 670 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 139.39A	0.096
17011442.	402	5843 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 669 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 139.24A	0.096
17011443.	402	5835 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 668 WM TAITTS SUB L16 P87 PLATS, W C R 17/104 30 X 139.08A	0.096

17011444.	402	5829 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 667 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 138.93A	0.096
17011445.	402	5823 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 666 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 138.77A	0.096
17011446.	402	5817 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 665 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 138.61A	0.096
17011447.	402	5811 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 664 WM TAITs SUB L16 P87 PLATS, W C R 17/104 30 X 138.46A	0.095
17011448.	402	5803 BALDWIN	DETROIT PUBLIC SCHOOLS	W BALDWIN 663 WM TAITs SUB L16 P87 PLATS, W C R 17/104 44.11 X 138.27A	0.139
17012131.	402	5802 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 550 WM TAITS SUB L16 P87 PLATS, W C R 17/104 44.11 X 118	0.119
17012132.	402	5810 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 549 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012133.	402	5816 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 548 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012134.	402	5822 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 547 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012135.	402	5828 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 546 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012136.	402	5834 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 545 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012137.	402	5840 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 544 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012138.	402	5846 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 543 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012139.	402	5852 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 542 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012140.	402	5858 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 541 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012141.	402	5922 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 530 WM TAITS SUB L16 P87 PLATS, W C R 17/104 32 X 118	0.087

17012142.	402	5930 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 529 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012143.	402	5936 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 526 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012144.	402	5942 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 525 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012145.	402	5948 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 522 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012146.	402	5954 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 521 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012147.	202	5960 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 518 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012148.	202	5966 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 517 WM TAITS SUB L16 P87 PLATS, W C R 17/104 30 X 118	0.081
17012149-71	202	5976 TOWNSEND	DETROIT PUBLIC SCHOOLS	E TOWNSEND 514&513 WM TAITs SUB L16 P87 PLATS, W C R 17/104 62 X 118	0.168
17013777-86	201	5830 FIELD	DETROIT PUBLIC SCHOOLS	E FIELD 62 THRU 81 WM TAITS SUB L16 P87 PLATS, W C R 17/104; 204 THRU 213 349 THRU 340 AND S 0.89 FT 341 WM TAITs SUB L16 P87 PLATS, W C R 17/104 ALSO VAC ADJ ALLEYS AND VAC SHERIDAN ADJ 550.94 X 314.11 SPLIT/COMBINED ON 08/10/2018 FROM 17012229., 17012230., 17012231., 17012232., 17012233., 17012234., 17012235., 17012236.001, 17012236.002L, 17013022., 17013023., 17013024., 17013025., 17013026., 17013027., 17013028., 17013029., 17013030., 17013031., 17013146., 17013147., 17013148., 17013149., 17013150., 17013151., 17013152., 17013153., 17013154.,	3.965


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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: November 4, 2019

RE: Proposed sale of Joe Louis Arena site and Garage to First & Congress, LLC

The Legislative Policy Division (LPD) has reviewed the proposed Agreement of Purchase and Sale (The Agreement) between the City of Detroit (City) and First & Congress, LLC (an affiliate of the Sterling Group, LLC) to acquire the site of the former Joe Louis Arena and the adjacent Joe Louis Garage site. LPD provides the following report.

Background Information Regarding the Site

The Arena and Garage site is currently subject to a development agreement between the City of Detroit and the Financial Guaranty Insurance Company (FGIC) as part of the bankruptcy-related settlement of approximately \$1 billion of secured debt. Under the bankruptcy settlement, FGIC would receive from the City the Joe Louis Arena site after the Arena demolition (at the City's cost of approximately \$12 million); soil remediation (at the cost of the City of approximately \$4 million); and the Arena Garage after capital improvements were completed (at the City's cost of approximately \$2.8 million). FGIC was also to be provided the opportunity to obtain a Brownfield TIF incentive of approximately \$18 million to assist in the development. After failing to provide a development plan and a tumultuous relationship including legal maneuvering and extension of deadlines, FGIC seeks to release its interest in the subject properties to local developer, the Sterling Group by and through its affiliate First & Congress, LLC.

Summary of Proposed Sale

The two properties under the proposed sale is the former Joe Louis Arena and the Joe Louis Parking Garage. Both parcels have been appraised by an independent appraiser (Integra Realty Sources). The Arena site has been appraised at \$14,700,000. The Garage Property has been appraised at \$17,300,000. The total appraised value for the two sites is \$32 million.¹

First & Congress (F&C) has entered into an agreement with FGIC in which F&C will acquire the rights and interest FGIC has to the sites. Attachment I represents the terms of the transaction. Attachment II represents a power point presentation on the Joe Louis Arena Deal. According to the Administration, the F&C agreement with the City has to be approved by November 7, 2019.² The summarized financial terms of the Agreement between the City and F&C are as follows:

- F&C will pay \$2 million in cash to the City.
- F&C will provide \$12.1 million in future payments to the City over 20 years sufficient to pay the annual debt service and retire the loan from the State of Michigan to complete demolition of the Arena (present value calculated at \$6.7 million³).
- Upon closing for the transfer of the Garage Property, the City will no longer have to pay the anticipated \$2.8 million in capital improvements required on the Garage.
- Upon closing for the transfer of the Arena Property, the City will no longer be required to incur the cost of remediation anticipated to be approximately \$4 million.
- If a Brownfield TIF is approved on the Arena Property, the City will be in first position to receive \$7 million of the TIF capture (present value calculated at \$4 million⁴). The remainder will go to F&C.

The total value to F&C to acquire title to the properties from the City in today's dollars is approximately \$19.5 million which is deemed fair value for the transaction.⁵ On or prior to the date of the first closing of the parcels, FGIC's rights and interest under the development agreement with the City will be terminated.⁶ LPD notes that approval of the sale to F&C must also be obtained from the State due to the fact that the State's loan to the City for the demolition

¹ The appraisal by Integra Realty Sources was conducted on February 7, 2019.

² LPD was informed that if the Agreement of Purchase and Sale is not approved by November 7, 2019, the deal between F&C and FGIC will be voided resulting in the City retaining the Development Agreement with FGIC and the City's financial obligations for the \$12 million loan for demolition; \$4 million site remediation; \$2.8 million Garage Property capital improvements.

³ LPD notes the Office of the Chief Operating Officer provided the information regarding the present value (today's dollars) for the \$12.1 million (over time) payment and the \$7 million (over time) TIF payment.

⁴ LPD used OCFO information to make present value calculation.

⁵ It is important to reiterate that the City negotiated a sale of the Joe Louis Arena to a private purchaser (F&C). Consideration for the arena property includes, among other things, F&C's payment of \$12.1 million to the City over approximately 19 years. LPD notes that questions regarding the City's prohibition of lending of credit regarding this payment structure were addressed by both the Law Department and the City's outside counsel (Miller, Canfield). Both the Law Department and outside counsel indicate that because fair value has been provided to acquire the properties there is no violation of the State Constitution's prohibition of lending of credit.

⁶ LPD notes that according to the Administration, although FGIC's interest in the Joe Louis Arena and Garage under the Development Agreement may be terminated, they remain a "Class 14 Claimant" in the Bankruptcy Plan of Adjustment and may receive a distribution of certain bonds that were issued to satisfy certain claims. FGIC also holds approximately \$19 million in "Settlement Credits" that were awarded in the Bankruptcy Plan of Adjustment that may be applied to the acquisition cost of eligible City assets unrelated to the Arena Development Agreement.

provides the State an interest in the outcome of the parcel. LPD further notes that F&C is not taking over the City's demolition loan with the State.⁷

LPD notes that the sale of the proposed properties does not include any right of reverter if F&C does not complete a project on the site although they are required to obtain site plan approvals, construction permits and begin construction and apply for TIF Incentives within 5 years on the Arena Property. The sole remedy for the City for F&C's failure to consummate the sales transaction is the Ernest Money deposit as liquidated damages.⁸

Other Benefits from the Proposed Sale

Other benefits to the City regarding the proposed sale of the Joe Louis Arena site and garage to the F&C include:

- The City avoids potential additional costs associated with the capital improvements required on the Joe Louis Arena Garage. A representative of the Detroit Building Authority (DBA) has indicated that the capital improvements needed on the garage could exceed the initial estimate of \$2.8 million per the DBA and City Contract of Lease (see Attachment IV for the Contract of Lease) and go up to \$4 million, based on the condition of the garage since the 2014 bankruptcy.
- The City avoids potential additional costs associated with the cost of remediation on the Joe Louis Arena site post demolition. Although currently the estimated cost to remediate the arena site after demolition is \$4 million, this cost go up higher if a residential development is also contemplated on the site.
- If Council approves the proposed sale, the Joe Louis Arena site and Garage site would go on the tax rolls as private property. The property taxes F&C would pay on the Joe Louis Arena site and Garage site would be based on the assessed value of the property as private property (as indicated earlier, the current appraised value of the sites is \$32 million). Currently, the sites are deemed tax exempt property. The hefty property tax payments that would be paid by F&C would help the City receive its first rights to \$7 million in tax increment revenues under a Council approved Brownfield TIF plan quicker.
- It is very conceivable that the future project F&C would develop on the Joe Louis Arena site could sizable enough to warrant a community benefits process.

Risks Associated with the Proposed Sale

The potential risks associated with the proposed sale of the Joe Louis Arena site and garage to the F&C include:

⁷ It is LPD's understanding that the state would not consider F&C taking over the loan as this could constitute a lending of credit from the State to a private entity, which is prohibited by the State Constitution. F&C will instead make separate payments to the City during the up to 19 year period of the loan (the \$12.1 million payment, with the right to prepay in full or in part)

⁸ LPD further notes that the difference between this transaction and the agreement with FGIC is that this is only a transaction for the sale of the proposed property to F&C where the FGIC agreement was an agreement regarding the proposed development of the property.

- The City remains obligated to repay the \$12 million State loan even if F&C decides not to develop the arena and garage sites and the City does not receive all of the \$12.1 million in payments from F&C under the terms of the sale agreement, which payment terms equal to the City's payment terms with the State. This risk is mitigated somewhat however by the \$3 million personal guarantee a principal of F&C has agreed to place as security on F&C's \$12.1 million repayment terms.
- The U.S. economy goes into a recession which could delay the redevelopment of the sites. This is mitigated somewhat by F&C agreeing to pay the City an additional \$1 million if a development is not started within five years of the sale.

The City and F&C Sale Agreement

The basic terms of the City and F&C Agreement was summarized above. Attachment III represents the Agreement of Purchase and Sale. The pertinent terms and conditions of the Agreement are highlighted below:

Section 1, Property, provides that the term is deemed to include the entire right, title and interest of the City in and to: The Land together with (i) the Garage and all other buildings the improvements located on the Garage Property, and (ii) the use and operation of the improvements on the Easement Parcel⁹ together with all easements, air, mineral and oil rights and gas rights, and all tenements, heridiments, privildges and appurtenances thereunto belonging or in any way appertaining thereto. In essence, F&C shall have fee simple title to the properties and all rights thereto.

Section 2, Garage property consideration: F&C will pay in cash by wire transfer to the City \$2 million at the first closing (if the closing is bifurcated).

Section 3, Arena Property: Consideration: Demolition, Remediation and Repair, provide in pertinent part:

- (a) Upon closing of the Arena Property begin the first of installment payments to the City that shall total \$12,100,000.08 dollar as set forth in "Schedule 1 Payments" over a period of twenty years. F&C shall have the right to prepay, in full or in part the obligations under Section 1, as set forth under the Agreement.¹⁰
- (b) The City shall perform the Arena demolition as specified in Exhibit B. After Closing the City shall have no obligation or liability to F&C to undertake any cleanup or other remedial action.

⁹ The "Easement Parcel" is identified as certain easements and certain licenses for vehicular and pedestrian traffic to access, use, operate (a) the above-ground pedestrian walkways and associated towers to acces the Detroit Regional Commnvention Facility, and (b) the Detroit People Mover Station from the Arena property, and (c) the Garage Property from the Lodge Freeway (with exceptions as stated therein) as more particularly described in Exhibit A-3.

¹⁰ LPD notes that the payment of the \$12 million in installments are intended by the Parties to cover the cost incurred by the City for the demolition of the Arena which is approximately \$12 million.

- (c) F&C agrees to be responsible for any environmental remediation required for the redevelopment of the Arena Property at its sole cost and expense and the City shall not be responsible for the same.¹¹
- (d) The City shall diligently pursue the "Work" (demolition of the Arena) to assure completion by March 31, 2020 (with possible 90 day extension).
- (g) The City shall not be responsible for any repair, maintenance, upkeep or other cost related to the Garage or Garage Property either prior to or after closing.

Section 4, the City has agreed to, at no out of pocket cost to the City, to use its best good faith efforts to assist F&C with procuring any additional or necessary easements, street vacations, development rights, certificates of occupancy, permits, authorizations or licences, etc. including but not limited to:

- (a) The City shall grant and declare of public record, such rights to any exclusive easements and irrevocable licenses over the Easement Parcel to access use and operate the above ground pedestrian walkways and associated towers to access the Detroit Regional Convention Facility and the Detroit People Mover Station from the Arena Property and Garage Property.
- (b) Approval of changes in zoning, special use permits required for F&C's intended use of the property. Prior to Closing the City shall rezone the Arena Property to a B-5 or B-6 zoning designation as requested by F&C.¹²
- (C) City will assist F&C with (i) obtaining Brownfield TIF Incentives, (ii) establishing Commercial Redevelopment Zone or Commercial Rehabilitation Zone, and if a residential use is contemplated, Neighborhood Enterprise Zone, or other incentives as are available to F&C for the redevelopment of the Property.
- (d) F&C shall within 5 years of the Closing Date of the Arena Property (i) use best efforts to obtain site approvals, construction permits and begin construction activity on the Arena Property; (ii) apply for TIF Incentives pertaining to the Arena Property
- (e) If F&C fails to take the two actions in Subsection 4(d) within the 5 year period, F&C shall pay to the City the cash amount of \$1 million, Guaranteed by Guarantor.
- (f) F&C shall use best efforts to obtain TIF Incentives and the City shall be entitled to the first \$7 million of the TIF Incentives to be paid directly to the City. The TIF Incentive documentation shall affirmatively confirm this arrangement.

¹¹ LPD notes that the City under the FGIC agreement is responsible for the remediation of the site which the minimum anticipated to cost is approximately \$4 million dollars.

¹² LPD notes that the approval of zoning changes are subject to City Council approval and cannot be pre-determined by contract.

- (g) The City shall vacate any and all streets lying in, under or through the Arena Property without any reservation of rights (except for such reservation of easements for utilities that currently physically exist and the City need to maintain in place).
- (h) The City shall be entitled to reserve up to 200 parking spaces, at market rate for such parking for its own use on a year to year basis for the first five years after F&C opens the Garage for business.

Section 5, Personal Guaranty and Escrow, At the closing of the Arena Property, F&C shall cause its CEO Elie Torgow (Guarantor) to execute a Guaranty and substance as set forth in Section 4 (e) to be held in escrow by the Title Company as set forth in Exhibit E¹³ in the amount of \$3 million.

Section 6, Escrow, provides that F&C shall deliver to the Title Company an Earnest Money deposit in the sum of \$100,000 to be held until the completion of the transaction pertaining to the Garage Property and Easement Parcel. If the transaction is consummated in accordance with the terms set forth the Earnest Money shall be delivered to the City as part of the consideration amount of the Garage Parcel, Garage and Easement Parcel due on Closing (the \$2 million cash due). If the transaction is not consummated the Earnest Money shall be provided as set forth under Section 13 Default.

Section 8, Conditions Precedent to closing for the benefit of Purchaser, provides in pertinent part that F&C shall have no obligation to consummate the transactions unless the conditions set forth in this section have been met.

- (a) City has completed the “Work” (demolition) set forth in Section 3.
- (b) Any and all rights of reverter that encumber the property and all development agreements affecting the Property have been terminate, released or discharged.¹⁴
- (c) All representations of the City are true and correct on the Closing Date.
- (d) As of Closing Date there is no pending or threatened litigation, administrative action or examination, claim or demand relating to the property.
- (e) The City shall have obtained all approvals and authorizations to enter the Agreement and to consumate the transactions.

Section 9, Conditions Precedent to closing for the benefit of Seller, provides in pertinent part that the City shall have no obligation to consummate the transactions unless the conditions set forth in this section have been met.

¹³ LPD notes Exhibit E was not part of the draft agreement provided.

¹⁴ This sub-section refers primarily to the Development Agreement with FGIC which provided a reverter of the property back to the City if FGIC did not meet its obligations. F&C will not be subject to any reverter terms if it fails to complete any development on the Property.

- (a) All representations of the F&C are true and correct on the Closing Date.
- (b) F&C shall have obtained all approvals and authorizations to enter the Agreement and to consummate the transactions
- (c) F&C shall have performed all of its other obligations under the Agreement.
- (d) The Development Agreement dated December 10, 2014 between the City and FGIC shall be assigned to F&C by FGIC on or prior to the Closing Date or the First Closing and terminated by the parties on or before the First Closing.
- (e) F&C shall not be in default under this Agreement or any other Agreement with the City.

Both the City's Conditions Precedent and F&C's Conditions Precedent must be satisfied by the Closing Dates which are January 31, 2020 for the Garage, Garage Property and Easement Parcel and thirty (30) days after the Work Notice Date¹⁵ as to the Arena Property.

Section 13, Default, provides:

- (a) "In the event of default by Purchaser, the Seller may elect to receive, Purchaser's Earnest Money deposit as liquidated damages as its sole remedy."
- (b) "If the Seller breaches its obligations under the Agreement, after reasonable notice and opportunity to cure, Purchaser will have the right to seek injunctive relief, specific performance or other equitable remedies. In no event and under no circumstances will Purchaser seek or be entitled to monetary, direct, indirect, consequential, punitive, compensatory or other damages."

Section 18, Purchaser Indemnifications; No Assumption of Liabilities; "AS-IS" Condition, provides in pertinent part:

- (a) F&C shall indemnify and save harmless the City from any and all liabilities, obligations damage, penalties, claims, cost, charges, losses and expenses which may be imposed by or asserted against the City or related parties after the Property Closing.
- (b) In the event of any action or proceeding brought against the City by reason of any claim covered under sub-section (a), F&C upon notice from the City will at its sole cost and expense, resist, and defend the same using legal counsel reasonably acceptable to the City.

¹⁵ The Work Notice Date is the date in which the City has provided to F&C notifying when the "Work" has been completed which must be within 10 days of completing the Work.

(c) From and after the date of Closing, the City shall not be responsible or liable to F&C and F&C releases the City from any liability, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying any part of the property. From or after the date of Closing or the date F&C takes possession of the Property whichever is earlier, F&C shall be solely responsible for all injuries to persons and property resulting from any accident, explosion, leak, or other cause arising in or about the use of the Property and its appurtenances after the date of Closing.

(d) Except to any representation made within this Agreement, the City makes no implied or express representations or warranties of any kind as to any condition of the Property that may adversely affect the development, or fitness for absolutely any purpose whatsoever. F&C is deemed to have knowledge that it is satisfied with the condition of the Property and shall be deemed to have waived any right to object to the condition of the Property. Upon Closing, F&C takes the property as it finds it, "AS IS".

Section 19, Miscellaneous, provides under subsection (g) Time is of the essence to this Agreement. LPD notes that information was provided that approval of the agreement needed to be completed on or before November 7, 2019.

If we can be of further assistance please call upon us.

Attachments

cc: Matt Walters, Deputy Group Executive, Jobs and Economy Team, Mayor's Office
David Massaron, CFO
John Naglick, Jr., Chief Deputy CFO/Finance Director
Katherine Hammer, Chief Deputy CFO, Policy & Administration Director
Tanya Stoudemire, Deputy CFO/Director-Office of Budget
Stephanie Washington, Mayor's Office

Attachment I

Terms of the Sale of Joe Louis Arena Property and JLA Garage Transaction

Terms of Transaction:
Sale of Joe Louis Arena Property and JLA Garage

Purchaser	Affiliate of Sterling Group (Elie Torgow, principal)
JLA Garage	<ul style="list-style-type: none"> • \$2 million payable in cash at Closing • \$4 million in savings to City for budgeted repairs (City not required to perform any further Garage repairs)
Arena Property	<ul style="list-style-type: none"> • \$12.1 million in future payments from Purchaser to City (payable per Schedule 1 below); [Secured by partial Guaranty from Elie Torgow]; Funds will be sufficient to pay annual debt service and retire demolition bonds issued to the State; City to complete demolition (per Exhibit B-1 below) • \$7 million first position on Brownfield TIF on Arena Property • \$4 million savings on budgeted environmental remediation; environmental obligation shifted to Purchaser; City to undertake no further environmental remediation
Bifurcated Closing	JLA Garage sale closes first (prior to Jan 31, 2020); Arena Property closes second within 30 days after completion of demolition, at option of Purchaser (expected to be March 31, 2020)
Environmental	Developer releases City from all environmental obligations (except for historical claims for personal injury); to be documented with restrictive covenant if required by the State
Zoning	City agrees to assist Purchaser with rezoning to B-5
Incentives	<p>City agrees to assist Purchaser to obtain:</p> <ul style="list-style-type: none"> • Brownfield TIF • Commercial Redevelopment Zone or Commercial Rehabilitation Zone • NEZ (if future plans include residential)
Development Requirement	Purchaser must break ground on new development within 5 years or pay additional \$1 million to City
Street Vacation	City agrees to vacate streets located within the Arena Property
FGIC Agreement	FGIC Development Agreement to be terminated prior to Closing

Schedule 1

Payment Date	Amount
02/1/2020	100,000.00
12/1/2020	100,000.00
12/1/2021	755,555.56
12/1/2022	744,444.45
12/1/2023	733,333.34
12/1/2024	722,222.23
12/1/2025	711,111.12
12/1/2026	700,000.00
12/1/2027	688,888.89
12/1/2028	677,777.78
12/1/2029	666,666.67

Payment Date	Amount
12/1/2030	655,555.56
12/1/2031	644,444.45
12/1/2032	633,333.34
12/1/2033	622,222.23
12/1/2034	611,111.12
12/1/2035	600,000.00
12/1/2036	588,888.89
12/1/2037	577,777.78
12/1/2038	566,666.67
	12,100,000.08

Exhibit B-1

Demolition Scope

As depicted in the drawing attached hereto as Exhibit B-1:

- Demolition of above-ground improvements and removal of concrete slab, foundations, and pile caps to a depth of 6- to 8-feet below grade;

With

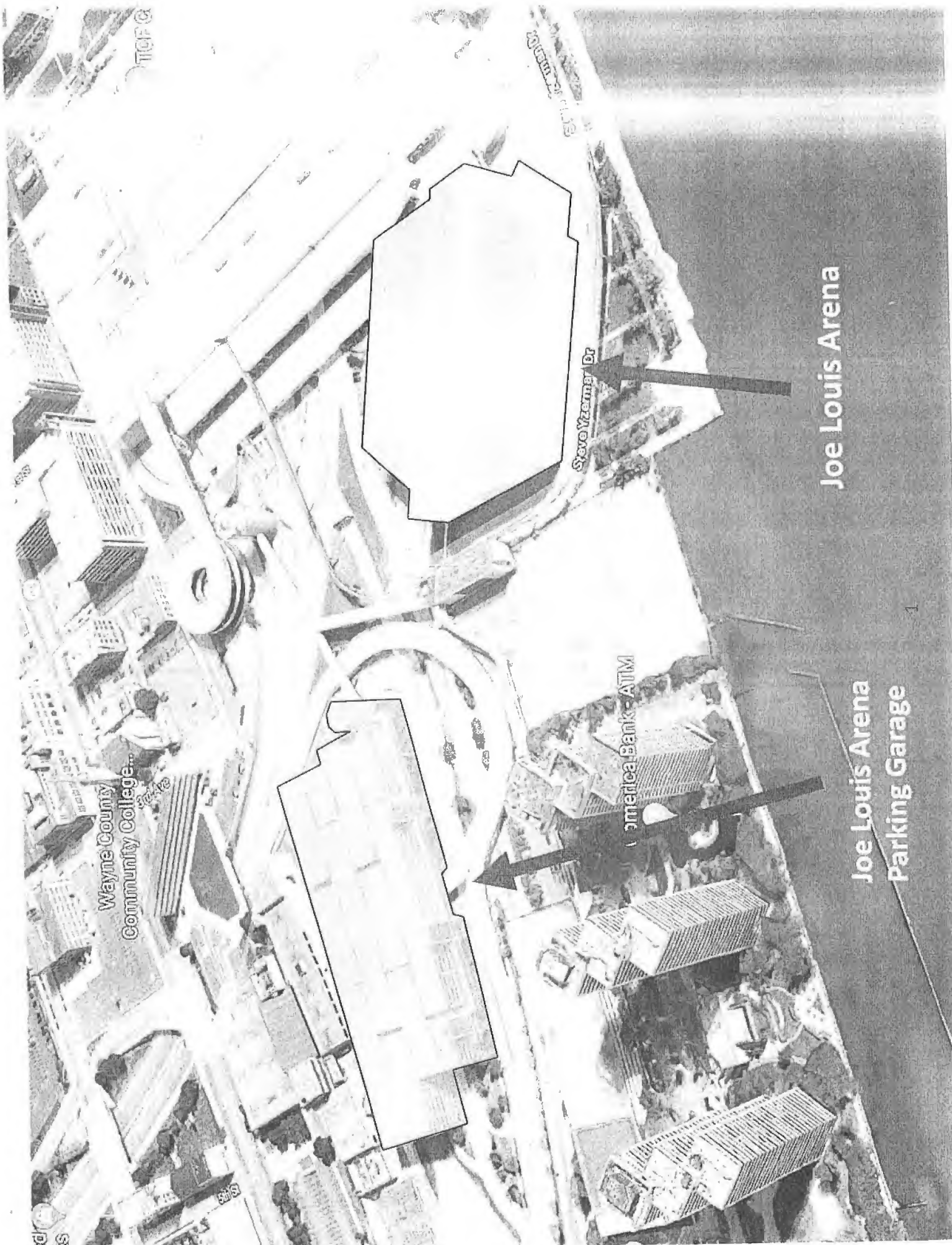
- Subsurface pylons to remain in place; and
- Site graded after demolition with a minimum 10 inches of engineered fill (MDOT Class III) and with 4 inches of topsoil

Attachment II

Power Point Presentation on the Joe Louis Arena Deal

Joe Louis Arena Deal

October 24th, 2019



Joe Louis Arena

Joe Louis Arena
Parking Garage

Joe Louis Arena Deal

- **Development Agreement and City Obligations with FGIC**
- What Has Taken Place Since 2014
- Proposed Deal with Sterling Group

City Obligations (Covenants) in the FGIC / City of Detroit Development/Option Agreement

Under the Development Agreement (settlement) between the City of Detroit and FGIC, the City is legally obligated to perform the following:

- 1) Complete demolition of the Joe Louis Arena (the improvements) within one year upon Olympia terminating the sub lease.
- 2) Complete "Sufficient Environmental Remediation" on the Arena site.
- 3) Fund the costs and repairs for the Joe Louis Arena Parking garage, to the degree specified in the 2014 Desman Associates Report.
- 4) Provide FGIC with up to \$18 million in TIF incentives.
- 5) Establish an NEZ, PA 255 or PA 210 tax abatements for the site.
- 6) Change the zoning of the site to B5.

DEVELOPMENT AGREEMENT

BY AND BETWEEN
CITY OF DETROIT,
THE STATE OF MICHIGAN
AND
FINANCIAL GUARANTY INSURANCE COMPANY

THIS AGREEMENT entered into this day of December, 1994, by and between the City of Detroit, Michigan, and Financial Guaranty Insurance Company, a corporation organized under the laws of the State of New York, for the purpose of setting forth the terms and conditions of the development of the Joe Louis Arena, located at 2000 Woodward Avenue, Detroit, Michigan, and the surrounding area, and the related matters.

WHEREAS, the City of Detroit, Michigan, is the owner of the Joe Louis Arena, located at 2000 Woodward Avenue, Detroit, Michigan, and the surrounding area, and the related matters; and

WHEREAS, the City of Detroit, Michigan, is the owner of the Joe Louis Arena, located at 2000 Woodward Avenue, Detroit, Michigan, and the surrounding area, and the related matters; and

WHEREAS, the City of Detroit, Michigan, is the owner of the Joe Louis Arena, located at 2000 Woodward Avenue, Detroit, Michigan, and the surrounding area, and the related matters; and

WHEREAS, the City of Detroit, Michigan, is the owner of the Joe Louis Arena, located at 2000 Woodward Avenue, Detroit, Michigan, and the surrounding area, and the related matters; and

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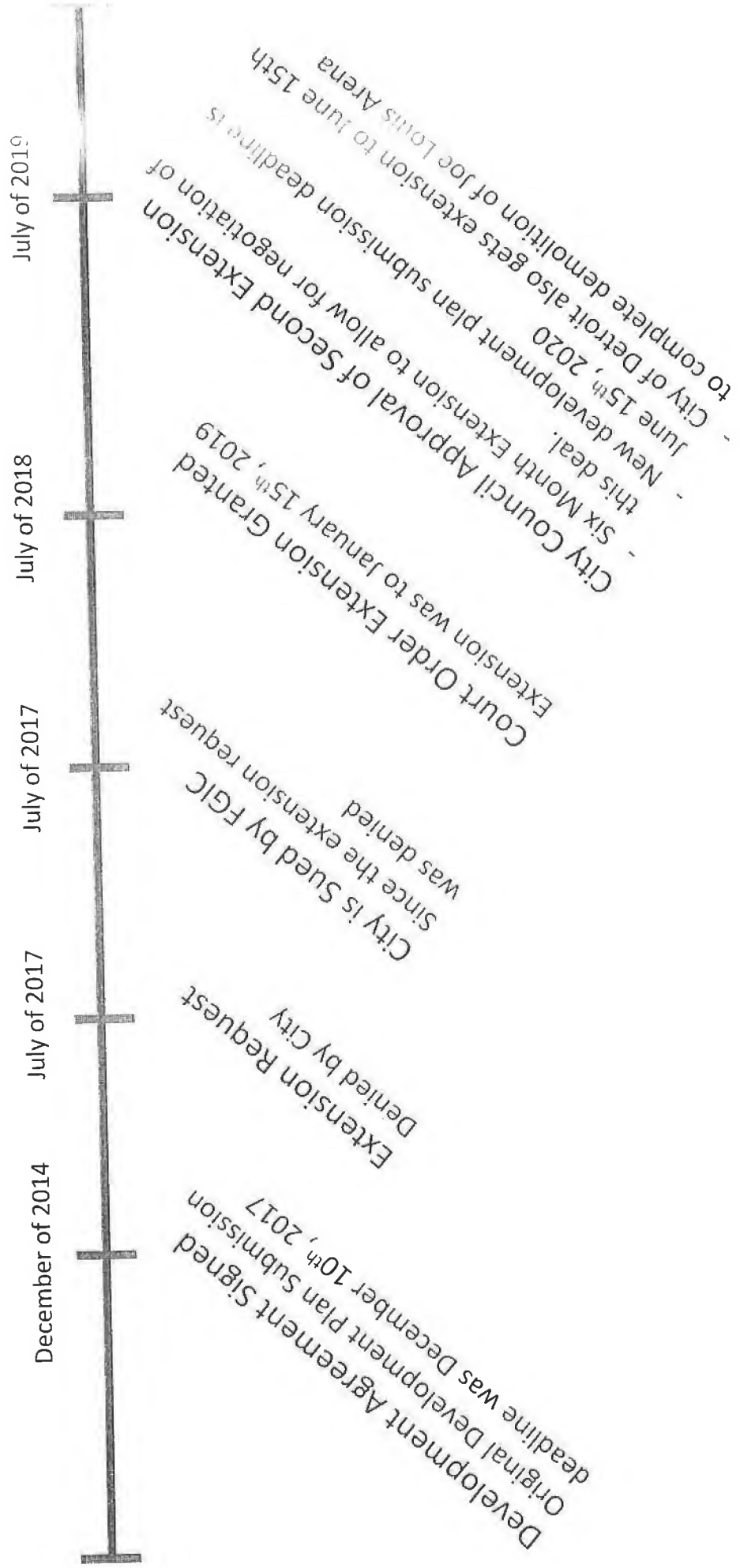
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Joe Louis Arena Deal

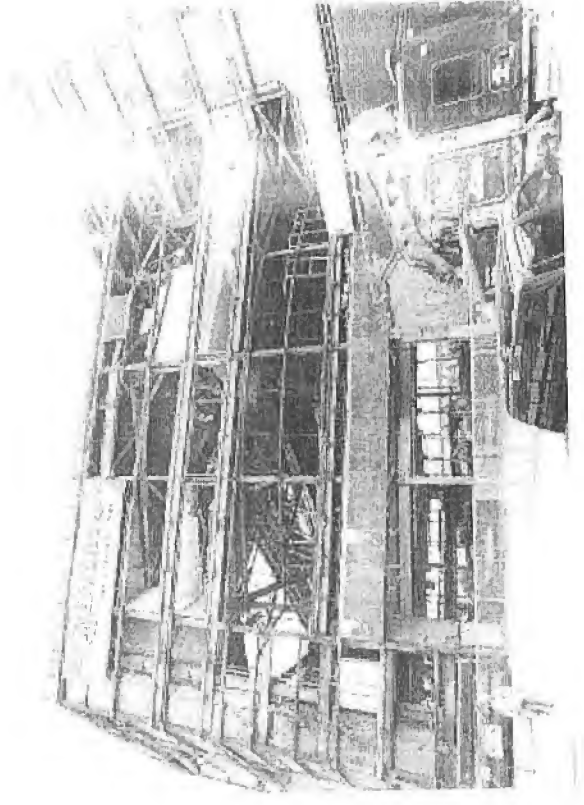
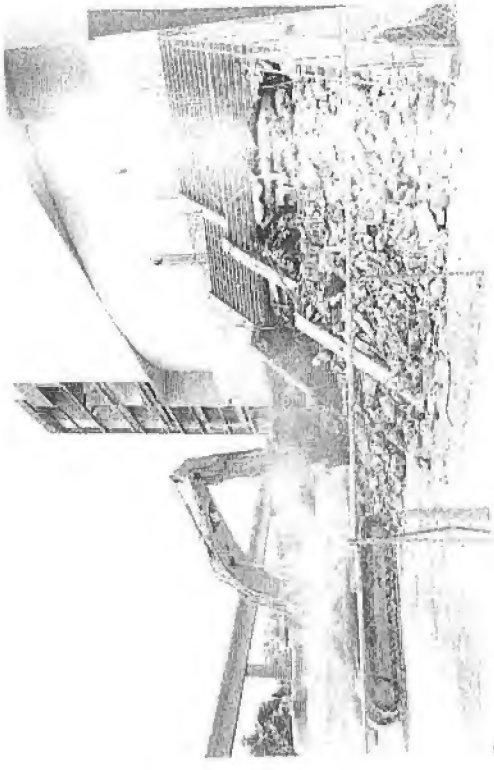
- Development Agreement and City Obligations with FGIC
- **What Has Taken Place Since 2014**
- Proposed Deal with Sterling Group

Timeline of the City of Detroit and FGIC Relationship



Joe Louis Arena Demolition

- 1) Detroit City Council and Michigan Strategic Fund approval of the Joe Louis Arena demolition loan and the Brownfield TIF in fall of 2018. This loan has a 20 year term, at a 1% to 2% interest rate.
- 2) The City of Detroit's plan was to pay the loan back from the general fund over the next 20 years, with support from the Brownfield TIF revenue once a project commenced.
- 3) Commencement of the Joe Louis Arena demolition was on May 28th, 2019
- 4) The Detroit Building Authority is managing the Joe Louis Arena demolition and is targeting March 31st, 2020 as a completion date.



Joe Louis Arena Deal

- Development Agreement and City Obligations with FGIC
- What Has Taken Place Since 2014
- **Proposed Deal with Sterling Group**

City of Detroit / Sterling Group Deal

Property	Cash	Savings to City	TIF Payment
JLA Garage			
At Closing	\$2 Million		
Rehabilitation Work		\$2.7 Million	
Arena Property			
Environmental Remediation		\$4 Million at a minimum	
Demolition	\$10 Million (or \$12.1 Million over life of the MSF loan)		City of Detroit receives first \$7 Million of future Brownfield TIF
Future Brownfield TIF			
Development Requirement	Purchaser must break ground and apply for Brownfield TIF on new JLA development within 5 years of closing or pay an additional \$1 Million to City		
Incentives	In the future, City agrees to assist Purchaser to obtain a Brownfield TIF, PA 255 or PA 210, and NEZ (if future plans include residential)		
Environmental	Purchaser releases City of Detroit from all environmental obligations		
Zoning	City Agrees to assist purchaser with rezoning property to B5		
Street Vacation	City Agrees to vacate streets located within the Arena Property (There are not physical streets on the arena site, only "legal" Right of Way)		

Attachment III

Agreement of Purchase and Sale

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE is made effective this 24th day of October, 2019 ("Effective Date"), by and between THE CITY OF DETROIT, a Michigan public body corporate, acting through its Department of Planning and Development, whose address is Coleman A. Young Municipal Center, 2 Woodward Avenue, Suite 808, Detroit, MI 48226 (hereinafter called "Seller") and FIRST & CONGRESS MANAGEMENT, LLC, a Michigan limited liability company, whose address is 333 West Fort Street, Suite 1350, Detroit, MI 48226 (hereinafter called "Purchaser").

Recitals:

A. Purchaser desires to buy and Seller is willing to sell Seller's rights, title, and interest in (1) certain parcels of real estate located in the City of Detroit, Wayne County, Michigan commonly known as: (a) the Joe Louis Arena, more particularly described on Exhibit A-1, attached (the "Arena Property") and (b) the Joe Louis Arena Garage (the "Garage"), more particularly described on Exhibit A-2 (the "Garage Property"); and

(2) certain easements and certain licenses for vehicular and pedestrian traffic to access, use and operate (a) the above-ground pedestrian walkways and associated towers to access the Detroit Regional Convention Facility (formerly known as Cobo Hall and now known as the TCF Center), and (b) the Detroit People Mover Station from the Arena Property, and (c) the Garage Property from the Lodge Freeway (with exceptions set forth below), as more particularly described on Exhibit A-3 (collectively, the "Easement Parcel"). (The Arena Property, the Garage Property and the Easement Parcel are collectively referred to as the "Land").

B. Seller has agreed to sell all of its right, title and interest, and Purchaser has agreed to purchase all of Seller's right, title and interest, in the Property (as defined below) in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereinafter set forth, it is mutually agreed as follows:

1. **Property.** Except if otherwise provided herein, the term "Property" shall be deemed to include the entire right, title and interest of Seller, if any, in and to:
 - (a) The Land together with: (i) the Garage and all other buildings the improvements located on the Garage Property, and (ii) the use and operation of the improvements on the Easement Parcel together with all easements, air, mineral and oil and gas rights, and all tenements, hereditaments, privileges and appurtenances thereunto belonging or in any way appertaining thereto;
 - (b) All fixtures, equipment and personal property owned by Seller and located in, on or about the Garage Property, the Garage and the Easement Parcel or used in conjunction therewith;
 - (c) The billboard/display sign(s) located on the Property;
 - (d) Licenses to all utility services (including storm drains, sanitary sewer, electricity, gas and water) servicing the Property;
 - (e) All goodwill associated with the Property;
 - (f) Any land lying in the bed of any street, road, alley, right-of-way, or avenue, adjoining the

- (g) The use of appurtenant easements, whether or not of record, adjacent, contiguous or adjoining the Land;
- (h) All assignable licenses, permits and franchises issued by any federal, state or local municipal authorities relating to the use, maintenance or operation of the Property, including all development rights derived therefrom; and
- (i) All plans and specifications in the possession of Seller relating to the construction of the Garage on the Land and all unexpired warranties received by Seller in connection with the construction, improvement or equipment located at the Property.

Subject to the terms and conditions herein contained, Seller agrees to sell the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller.

2. **Garage Property; Consideration.** The parties agree that the consideration to be paid by Purchaser to Seller for the Garage, Garage Property and applicable Easement Parcel shall be Two Million (\$2,000,000.00) Dollars payable in cash by wire transfer to Seller at the Closing (which shall be paid at the first Closing if the transaction Closing is bifurcated). After Closing, the Seller shall have no obligation or liability to Purchaser whatsoever to comply with any federal, state or local requirement to attend to the physical condition of the Garage Property.

3. **Arena Property; Consideration; Demolition, Remediation and Repair.**

(a) The parties agree that the consideration to be paid by Purchaser to Seller for the Arena Property and applicable Easement Parcel shall be the obligation to pay Seller the amounts set forth on the attached **Schedule 1**, attached hereto and made a part hereof, which payment schedule shall commence on the date of the Arena Property Closing, in the face amount of Twelve Million One Hundred Thousand and 08/100 (\$12,100,000.08) Dollars ("Schedule 1 Payments"). The parties specifically agree that the obligation of Purchaser to pay the Schedule 1 Payments shall commence at Closing of the Arena Property and such obligations shall survive Closing. Purchaser shall have the right to prepay, in full or in part, the obligations set forth in the Schedule 1. Upon prepayment, Purchaser shall receive a discount equal to one (1%) percent with regard to the first two Schedule 1 Payments and a discount of two (2%) percent on all remaining Schedule 1 Payments. The parties agree that the applicable prepayment discount shall be calculated based on the principal and interest schedule related to the Community Revitalization loan that the Seller obtained from the State of Michigan. If by the date of the Closing of the Arena Property 1) the Michigan Strategic Fund ("MSF") (or relevant party) has not approved the sale of the Arena Property or 2) the Loan Manager has not approved Milestone Four (as those terms are defined in a certain Loan Agreement, executed June 10, 2019, between Seller and the MSF, as the same may have been amended from time to time), then the consideration for the sale of the Arena Property shall increase by the amount of Five Hundred Thousand (\$500,000) Dollars to be paid to Seller in cash at the Closing of the Arena Property. For the avoidance of doubt and in the interest of clarity, neither the approval of the sale of the Arena Property by the MSF or approval of Milestone Four by the Loan Manager, are conditions of sale for the Arena Property and they are not required to close the sale of the Arena Property.

(b) The Seller shall, at its sole cost and expense, perform the Arena Property demolition as specified in Exhibit B-1, attached hereto and made a part hereof. The Seller's work described in this subparagraph 3(a) is collectively referred to as the "Work". After Closing, the Seller shall have no obligation or liability to Purchaser whatsoever to undertake any cleanup or other remedial action that

or local requirement to attend to the physical condition of the Arena Property.

(c) Purchaser agrees to be responsible for any environmental remediation required for its redevelopment of the Arena Property at its sole cost and expense and Seller shall not be responsible for the same. Purchaser, for itself and any of its affiliates, successors or assigns, agrees to release and indemnify Seller and its officials, employees and agents from any Environmental Remediation Claims related to the Property, and this shall provision shall expressly survive the Closing. Seller shall not be responsible for obtaining site closure from the State of Michigan with regard to any environmental conditions on the Property, and Seller shall not be obligated to record a restrictive covenant against the Property. If prior to Closing any third-party shall require a restrictive covenant to be recorded against the Property, Seller shall notify Purchaser and Purchaser shall have the exclusive right to contest and negotiate and such requirement. As used herein, the term "Environmental Remediation Claims" shall mean the cost of actual remediation which Seller incurs or is legally obligated to undertake with regard to the Property resulting from any suits, proceedings or actions, known or unknown, including but not limited to investigations, actions and notices by any governmental authority or any third party, brought under common law and/or under any environmental laws which relate to the Property. For the avoidance of doubt and in the interest of clarity, Environmental Remediation Claims means only and specifically the actual remediation costs (incurred or obligated to incur) and not any costs to defend any suits, proceedings, actions, investigations or similar activities which may result in the obligation of Seller to remediate the Property. Environmental Remediation Claims do not include any personal injury claims relating to or arising in any manner from the period of time prior to the Arena Property Closing.

(d) The Seller has commenced the Work and shall diligently pursue such Work to assure completion by March 31, 2020; provided that Seller shall be permitted to extend the time for completion of the Work if necessary for up to Ninety (90) days with notice to Purchaser.

(e) Seller shall notify the Purchaser in writing when it has completed the Work within ten (10) days of completing the Work. The date on which such notice is delivered shall be the "Work Notice Date."

(f) If the Seller suspends the Work for any reason or does not diligently pursue such Work, except for reasons beyond its control, Purchaser, upon ten (10) days prior written notice to the Seller, may enforce Seller's obligation to complete such Work by specific performance. Seller shall provide written notice to Purchaser within five (5) days if it suspends the Work.

(g) Notwithstanding anything herein to the contrary, Seller shall not be responsible for any repair, maintenance, upkeep or other cost related to the Garage or Garage Property either prior to or after Closing.

4. **On-Going Development Support Obligations and Related Terms.** The Seller shall use its best good faith efforts to assist, at no additional out-of-pocket cost to Seller, the Purchaser with procuring any additional necessary easements, street vacations, development rights, certificates of occupancy, permits, authorizations or licenses that Purchaser determines are reasonably necessary or useful to allow Purchaser to operate or redevelop the Property for its intended use. This obligation of the Seller shall survive the Closing and delivery of the Deed(s). Such on-going assistance shall include, but is not limited to, the following:

(a) At or prior to Closing, the Seller shall grant and declare of public record, such rights, if any, that Seller has to the exclusive easements and irrevocable licenses in the form of Exhibit B, attached

Convention Facility and the Detroit People Mover Station from the Arena Property and Garage Property, and to access the Garage Property from the Lodge Freeway. With regard to the access to the Garage Property from the Lodge Freeway, Seller has disclosed to Purchaser that Seller may in fact not hold title or have any interest in the land to the Garage Property from the Lodge Freeway and such land may be subject to the rights of third parties that could in the future limit access to the Garage Property. Purchaser agrees that it is accepting the Property and in such condition. With regard to any land lying in the bed of any street, road, alley, right-of-way, or avenue, adjoining the Property, Seller and Purchaser agree that Seller is not conveying any such land to Purchaser to the extent such street, road, alley, right-of-way or avenue is presently open for the general benefit of the public.

- (b) Seller shall use its best good faith efforts to assist Purchaser in its efforts to obtain approval of such changes in zoning, variances in zoning, special use permits or other orders appropriate under applicable zoning laws and regulations as are required for Purchaser's intended use of the Property. Prior to Closing Seller shall rezone the Arena Property to a B-5 or B-6 zoning designation as requested by Purchaser.
- (c) Seller shall use its best good faith efforts to: (i) assist Purchaser with obtaining brownfield TIF Incentives ("TIF Incentives"); (ii) establish either a Commercial Redevelopment Zone or a Commercial Rehabilitation Zone, as requested by the Purchaser; and (iii) to the extent Purchaser's intended use includes residential uses, cooperate and assist the Purchaser in designating the Property or portion thereof as a Neighborhood Enterprise Zone. Without limiting the foregoing, at the request of Purchaser, the Seller shall use its best good faith efforts to assist the Purchaser with obtaining such other incentives as are available to Purchaser for redevelopment of the Property for Purchaser's intended use. Purchaser acknowledges and agrees that the brownfield TIF Incentives and other economic incentives are subject to application, eligibility, requirements and approvals that are not within Seller's control or require legislative action, and thus may not be available to Purchaser.
- (d) In the event the Parties close on the Arena Parcel then, Purchaser agrees that it shall, within five (5) years from the Closing Date of the Arena Property:
 - 1. Use its best good faith efforts to obtain required site plan approvals, construction permits and to begin construction activity on the Arena Property; and
 - 2. Apply for TIF Incentives pertaining to the Arena Property.
- (e) In the event the Purchaser fails to take the two actions described above within the prescribed five (5) year period, Purchaser shall make a One Million Dollar (\$1,000,000.00) cash payment to Seller (the "Five Year Payment"), which payment shall be guaranteed by Guarantor (as defined herein). The Five Year Payment shall be the sole consequence of Purchaser's failure to timely take the two actions herein described above. No liens or other encumbrances shall be placed by Seller on the Arena Property with regard to the Five Year Payment.
- (f) The Seller and Purchaser agree that Purchaser shall be obligated to use its best good faith efforts to obtain the TIF Incentives. Seller shall be entitled to the first Seven Million Dollars (\$7,000,000.00) of the TIF Incentives and the Purchaser shall be entitled to the balance of the TIF Incentives. The parties further agree that the first \$7,000,000.00 of the TIF Incentives shall be paid directly to Seller or its designee (without being paid to Purchaser in the first instance). The TIF Incentive documentation shall affirmatively confirm the foregoing arrangements.

Property without any reservation of rights, including reservation for utilities (except for such reservation of easements for utilities that currently physically exist in place and which Seller needs to maintain in place).

- (h) In the event the Parties close on the Garage Property, Garage and Easement Parcel, Purchaser and Seller agree that for the first five (5) years beginning on the Closing Date, the Seller, upon Purchaser opening the Garage for business (to wit: paying parking), shall be entitled to reserve up to two hundred (200) parking spaces, at market rates for such parking (and subject to the rules and regulations established for the Garage) for its own use, on a year to year basis. In the event, due to capacity constraints, such parking spaces will become unavailable, the Purchaser shall provide the Seller with a one-time right of first refusal as to such parking spaces for the balance of the unexpired five year period.

- 5. Personal Guaranty and Escrow. At the Closing of the Arena Property, Purchaser shall cause its CEO, Elie Torgow ("Guarantor"), to execute a Guaranty in form and substance as set forth on Exhibit E, agreeing to guaranty the obligations of Purchaser ("Guaranty") with regard to the Schedule I Payments and the Five Year Payment (as defined above). The Purchaser shall provide an escrow to be held by the Title Company as provided on Exhibit E.

- 6. Earnest Money.

- (a) Within five (5) days of the Effective Date (hereinafter defined), Purchaser shall deliver to the Title Company (hereinafter defined), as escrow agent (the "Escrow Agent"), an initial earnest money deposit in the sum of One Hundred Thousand and 00/100 (\$100,000.00) Dollars (the "Earnest Money"). The Earnest Money is to be held in escrow by Escrow Agent until the completion of the transaction described herein or as otherwise set forth herein.

- (b) In the event that the transaction pertaining to Garage Property, Garage and Easement Parcel contemplated hereby is consummated in accordance with the terms and conditions hereof, Escrow Agent shall deliver the Earnest Money to Seller for application against the consideration amount of the Garage Parcel, Garage and Easement Parcel due on Closing thereof. In the event that the transaction contemplated hereby is not so consummated, Escrow Agent shall apply the money as otherwise set forth herein.

- 7. Title and Survey.

- (a) Purchaser has obtained a commitment from a First American Title Insurance Company (the "Title Company"), Commitment No. 681218A (the "Commitment") to issue to Purchaser, at Purchaser's expense, at Closing, its ALTA Form B owner's title insurance policy, without standard exceptions, in the form of the marked-up Commitment attached hereto as Exhibit C and containing such endorsements as Purchaser may require including, but not limited to, a zoning (Form 3.1) endorsement and an ALTA Form 9 endorsement, in the amount of the consideration amount, insuring fee simple title to the Property to be in good and marketable condition, free and clear of any liens and encumbrances, except the Permitted Exceptions (as defined in Section 7(c) below).

- (b) Purchaser has obtained from Giffels Webster Engineers an ALTA Survey of the Property, Project No. 18808.00D (the "Survey"), attached hereto as Exhibit D. Prior to Closing the Purchaser may have the Survey updated at Purchaser's expense to conform the legal description of the Property set forth in the Commitment exactly to the legal description set forth in the Survey required under this

(c) The term "Permitted Exceptions" as used herein shall mean the exceptions in the title insurance Commitment or Survey that are either (i) not objected to by Purchaser, and still remain as an exception in the Title Commitment, or (ii) are objected to by Purchaser, but then waived by Purchaser; and (iii) property taxes not yet due and payable.

(d) Purchaser covenants and agrees to permit the Seller or its designee to maintain on the Property as they presently exist in place those certain public transportation assets of the Seller commonly referred to as the "people mover" and existing ancillary assets related thereto free of charge (the "People Mover"). Purchaser further covenants and agrees to grant to the Seller or its designee an easement (and air rights agreement, as applicable) upon terms and conditions determined by the Seller and Purchaser in their reasonable discretion, for the purpose of maintaining, renewing and replacing, as necessary, the People Mover in the location on the Property in which the People Mover is situated as of the date of this Agreement. It is intended that the parties shall enter into and record prior to or at Closing any such easements and air rights agreements needed to effectuate the intent of this paragraph, and any such easements or air rights agreements shall be prior in right to any Purchaser financing. As such, Seller shall not be required to subordinate such easements or air rights to any current or future lender or financing for the Property. In the event the easement or air rights contemplated in this paragraph are not placed of record prior to Closing, the Purchaser (including any successors or assigns thereof) shall permit such easement to be placed of record following Closing free of charge. Notwithstanding any provision hereof to the contrary, each such easement and air rights agreement described in this paragraph, whether or not recorded prior to Closing, shall be deemed a Permitted Exception, and the Seller shall not be requested or required for any reason to cure, remove or bond over such encumbrance. The provisions of this paragraph shall survive the Closing of this transaction.

8. Conditions Precedent to Closing for the benefit of Purchaser. Anything contained in this Agreement to the contrary notwithstanding, Purchaser shall have no obligation to consummate this transaction unless the conditions set forth in this Section 8 shall have either been satisfied or waived by Purchaser in writing. Such conditions are as follows:

- (a) Seller shall have completed and paid for the Work required by Section 3 of this Agreement;
- (b) Any and all rights of reverter encumbering the Property and all development agreements affecting the Property, including without limitation, the Development Agreement, shall have and terminated, released, or discharged;
- (c) All representations and covenants of Seller hereunder shall be true and correct on the Closing Date;
- (d) As of the Closing Date there is no pending or threatened litigation, administrative action or examination, claim or demand whatsoever relating to the Property;
- (e) Seller shall have obtained such approvals and authorizations to enter into this Agreement and to consummate the transactions contemplated hereby as necessary, and such approvals and authorizations shall remain unrevoked and in full force and effect;
- (f) At Closing, the Title Company shall be prepared to issue an owner's title insurance policy conforming to the requirements of Section 7(a) hereof;

any portion thereof, except for the Demolition required under Section 3 above;

- (h) Seller shall have performed all of its other obligations under this Agreement;
- (i) Purchaser shall not be in default under this Agreement or any other Agreement with the Seller.
- (j) The Development Agreement dated December 10, 2014 between Seller and Financial Guaranty Insurance Company ("FGIC") shall be assigned to Purchaser by FGIC on or prior to the Closing date of the first Closing hereunder and terminated by the parties on or before the first Closing hereunder.

In the event any of the foregoing conditions (which do not set forth a time period within which such conditions must be satisfied) are not satisfied by the Closing Date(s) (to wit: January 31, 2020 as to the Garage, Garage Property and Easement Parcel and thirty (30) days after the Work Notice Date as to the Arena Property) and Purchaser fails to waive any such unsatisfied condition, then this Agreement, at the option of Purchaser, shall be null and void, all obligations of the parties hereunder shall terminate and Purchaser shall be entitled to receive back all deposit monies being held in escrow (except in the event of a default by Purchaser) or Purchaser shall be entitled to enforce the foregoing conditions by specific performance, injunctive relief or other equitable remedies.

9. **Conditions Precedent to Closing for the benefit of Seller.** Anything contained in this Agreement to the contrary notwithstanding, Seller shall have no obligation to consummate this transaction unless the conditions set forth in this Section 9 shall have either been satisfied or waived by Seller in writing. Such conditions are as follows:

- (a) All representations and covenants of Purchaser hereunder shall be true and correct on the Closing Date.
- (b) Purchaser shall have obtained such approvals and authorizations to enter into this Agreement and to consummate the transactions contemplated hereby as necessary, and such approvals and authorizations shall remain unrevoked and in full force and effect.
- (c) Purchaser shall have performed all of its other obligations under this Agreement.
- (d) The Development Agreement dated December 10, 2014 between Seller and Financial Guaranty Insurance Company ("FGIC") shall be assigned to Purchaser by FGIC on or prior to the Closing date of the first Closing hereunder and terminated by the parties on or before the first Closing hereunder.
- (e) Purchaser shall not be in default under this Agreement or any other Agreement with the Seller.

In the event any of the foregoing conditions (which do not set forth a time period within which such conditions must be satisfied) are not satisfied by the Closing Date(s) (to wit: January 31, 2020 as to the Garage, Garage Property and Easement Parcel and thirty (30) days after the Work Notice Date as to the Arena Property) and Seller fails to waive any such unsatisfied condition, then this Agreement, at the option of Seller, shall be null and void, all obligations of the parties hereunder shall terminate and Purchaser shall be entitled to receive back all deposit monies being held in escrow (except in the event of a default by Purchaser). Notwithstanding the foregoing, Purchaser shall be provided a period of Ninety

conditions are not satisfied.

10. **Conduct of Seller's Business.** Seller agrees that from the date of this Agreement to the Closing Date, Seller shall conduct its business involving the Garage in the ordinary course, consistent with the prior operations of the Garage, and during said period will:

- (a) Refrain from transferring any of the Property or creating on the Property any easements, liens, mortgages, encumbrances or other interest which would materially adversely affect the Property or Seller's ability to comply with the terms of this Agreement;
- (b) Refrain from entering into any contracts or other commitments regarding the Property, other than in the ordinary and usual course of business; or as required to complete the Work, without the prior written consent of Purchaser. Seller shall pay for all costs related to the Work and shall hold the Purchaser harmless from any costs related to the Work. These obligations shall survive the Closing and delivery of the deed(s);
- (c) Refrain from entering into any leases of the Property which are not terminable in 30 days or less;
- (d) Within three (3) business days of obtaining knowledge of any pending or threatened litigation or administrative proceeding affecting the Property or operation of the Garage, provide the Purchaser with notice thereof, copies of all notices, summonses or pleadings, if any, and a description of the nature of the pending or threatened claim;
- (e) Within three (3) business days after receipt thereof, furnish Purchaser with a copy of all notices of violations of laws regulations, orders or requirements of governmental authorities having jurisdiction against or affecting the Property or the use or operation thereof; and
- (f) Keep in effect Seller's existing policies of public liability and hazard and extended coverage insurance insuring the Property, if any.

11. **Closing/Bifurcation of Transaction**

- (a) Purchaser and Seller agree to close on the sale and acquisition of the Arena Property and the Garage Property, Garage and Easement Parcel in separate transactions. The Closing of the Arena Property shall take place within thirty (30) days of the Work Notice Date on a mutually agreed upon date. The Closing of the Garage Property, Garage and Easement Parcel shall be on January 31, 2020. In both cases, Closing shall be subject to the satisfaction of all of the other conditions set forth herein.
- (b) The date on which the Closing occurs is referred to as the "Closing Date"; provided, however, that if the Closing Date is a Saturday, Sunday or legal holiday, the Closing shall occur on the next immediately following business day. The Closing shall be held at 10:00 a.m., local time or at such other time as may be mutually agreeable to the parties, at a mutually agreeable location. At the time and place of Closing, all of the closing items described in Section 13, including all applicable closing proceeds, shall be tendered to the Title Company provided, however, since Purchaser and Seller have elected to proceed to close on the Arena Property and Garage Property, Garage and Easement Parcel in separate transactions, the Purchaser shall only be required to tender (or in the case of non-cash obligations, undertake the same) the applicable property's allocated consideration amount described in Section 2, above. The Title Company shall be authorized to consummate the

title insurance in accordance with the provisions of Section 7(a) above

12. **Seller's Representation.** Seller represents and covenants with Purchaser the following as of the date hereof, which representations and covenants shall survive the consummation of the within contemplated transactions, and upon each of which Purchaser does and shall continue to rely:

(a) As of the Closing Date, Seller will have the right, power and authority to convey the Property in the condition and in the manner provided for in this Agreement.

(b) Seller has not within the last 90 days contracted for repairs, alterations, remodeling or new construction to the Property and will not do so prior to Closing except with respect to the Demolition Work. With respect to the Demolition Work, the Seller will have, prior to the Closing, paid for all Demolition Work in full and on the Closing Date there will be no unpaid bills or claims for labor, services or materials in connection with the Demolition Work.

(d) To the knowledge of Seller's Corporation Counsel, there is no pending litigation, administrative action or examination, claim or demand whatsoever relating to the Property, nor does Seller's Corporation Counsel have knowledge as to any threatened litigation or administrative action relating to the Property.

(e) In the event any claim is made by any party for the payment of any amount due for the furnishing of labor and/or materials to the Property prior to Closing, or in the event any lien is filed against the Property subsequent to Closing as a result of the furnishing of such materials and/or labor prior to Closing, Seller shall immediately bond over such claim or pay said claim and discharge said lien.

(f) To the knowledge of Seller's Corporation Counsel, there are no unrecorded or undisclosed legal or equitable interests in the Property owned or claimed by any party other than Seller.

13. **Defaults**

(a) In the event of a default by Purchaser hereunder, Seller may elect to receive, Purchaser's Earnest Money deposit as liquidated damages as its sole remedy.

(b) If Seller breaches its obligations under this Agreement, after reasonable notice and opportunity to cure, Purchaser will have the right to seek injunctive relief, specific performance or other equitable remedies. In no event and under no circumstances will Purchaser seek or be entitled to monetary, direct, indirect, consequential, punitive, compensatory or other damages.

14. **Closing; Closing Documents.** At the Closing, Seller shall execute and deliver to Purchaser (as required), and Purchaser shall execute and deliver to Seller (as required), the following:

(a) Seller shall deliver to Purchaser Quit Claim Deed(s) conveying Seller's title to the Property to Purchaser, expressly subject to the Permitted Exceptions, in form acceptable to Purchaser. Purchaser shall pay at Closing all closing costs, including any title policy charges, title endorsement fees, recording fees and escrow closing charges.

(b) Seller shall execute and deliver to Purchaser an assignment, in form acceptable to Seller and Purchaser, of all warranties, if any, which Seller has with regard to the Property or related

- (c) Seller shall execute and deliver to Purchaser a Bill of Sale, in form acceptable to Purchaser, quit claiming all furniture, furnishings, fixtures, equipment and other personal property, if any, included in the definition of the Property.
- (d) Seller shall execute, provide and assign to Purchaser all other agreements or easements, if any, included in the definition of the Property and the parties shall execute and record any easements and air rights agreements contemplated hereunder.
- (e) Any title insurance policy insuring Purchaser's title to the Property, whether an owner's or mortgage policy, with or without standard exceptions, will be at Purchaser's expense. Seller WILL NOT order or pay the premium for an owner's policy of title insurance. Seller will provide a title company estoppel or seller's certificate to the title insurance company, provided that it is accurate in all respects and is reasonably acceptable to Seller.
- (f) Seller and Purchaser shall execute and deliver to each other a Closing Statement showing the amounts by which the cash portion of the consideration amount shall have been adjusted as of the Closing Date in the following manner.
- (g) All real estate taxes and assessments which are a lien against the Property as of the date of Closing, if any, shall be paid in full by Seller. Current real estate taxes, if any, billed in the July and December preceding the closing shall be prorated based upon the due date method of pro rating taxes and on the number of days the Property is owned by Seller and Purchaser, respectively. Seller agrees to cooperate with Purchaser to consolidate tax parcels prior to Closing so that the Property that is being purchased by Purchaser is covered by tax identification numbers that do not cover any other property that is not owned by Purchaser.
- (h) the Earnest Money deposit held by Escrow Agent shall be credited against the consideration amount due on the Closing Date;
- (i) Purchaser shall receive a credit for any delinquent taxes, assessments or other charges against the Property of any nature whatsoever owed to the federal government and any other public authority for which a lien has been or could be asserted against Seller or the Property and which will not be fully paid and discharged or released upon or prior to Closing.
- (j) Seller shall pay all water, sewer, utility charges, common area maintenance charges and other operating expenditures through the Closing Date either immediately prior to Closing or promptly upon receipt of bills therefor.
- (k) Purchaser shall have tendered payment of the applicable consideration amount and the closing costs payable by Purchaser.
- (l) Purchaser shall furnish to the Seller a certified copy of a resolution in form and substance reasonably acceptable to the Seller, duly authorizing the Purchaser's execution, delivery and performance of this Agreement and all other documents and actions contemplated hereunder.
- (m) Seller shall execute and deliver to Purchaser at the Closing for the Garage Property, Garage and Easement Parcel, the Easement Agreement attached to Exhibit B.
- (n) Seller shall deliver to Purchaser evidence of Seller's authority to enter into and consummate this transaction and the authority of Seller's signatory to execute and deliver all documents

- (o) Seller shall furnish Purchaser with an affidavit stating that Seller is not a "foreign person" within the meaning of IRC Section 1445(f)(3).
 - (p) Seller shall furnish Purchaser with satisfactory evidence demonstrating that any security interests or liens on any portion of the Property, including the Garage or personal property located on the Property have been discharged.
 - (q) Seller shall furnish the Purchaser and the Title Company with satisfactory evidence demonstrating payment of all costs related to the Work, including without limitation, sworn statements and waivers of lien if required by the Title Company
 - (r) Any and all other documentation reasonably required by Purchaser, Seller, their attorneys and/or the Title Company to consummate the transaction described herein and to cause the owner's title insurance policy described in Section 7(a) hereof to be issued and delivered to Purchaser.
 - (s) At Closing, Seller shall deliver the Property to Purchaser, free and clear of any tenancy or right of occupancy, except as may be set forth in the Permitted Encumbrances.
 - (t) The Development Agreement dated December 10, 2014 between Seller and Financial Guaranty Insurance Company ("FGIC") and assigned to Purchaser by FGIC on or prior to the first Closing hereunder, shall be terminated by Seller and Purchaser.
 - (u) Purchaser agrees to execute a document in favor of Seller or its designee evidencing any payments that are due to Seller after the Closing date in a form and of a substance reasonably acceptable to Purchaser.
15. **Fire Damage.** In the event that the Garage shall be damaged or destroyed by fire, storm or other casualty on or before the Closing Date and the cost to repair such casualty loss shall exceed One Hundred Thousand (\$100,000.00) Dollars, Purchaser shall have the right to terminate its obligations under this Agreement within fifteen (15) days after receiving notice of such casualty and to receive a return of all sums deposited with Escrow Agent pursuant to Section 6 hereof. In the event Purchaser shall not be entitled to, or shall not elect to, terminate its obligations under this Agreement, Purchaser shall be entitled to receive an absolute assignment from Seller of any interest Seller may have otherwise had in the proceeds of any insurance on the Property (including any rent or business loss insurance allocable to the period from and after the Closing Date), and Seller shall pay to Purchaser, at Closing, the amount of any deductible.
16. **Condemnation.** Seller has no present intent to initiate a condemnation affecting the Property. In the event that notice of any action, suit or proceeding shall be given prior to the Closing Date by any other condemning authority for the purpose of condemning any part of the Property, then Purchaser shall have the right to terminate its obligations hereunder within fifteen (15) days after receiving notice of such condemnation proceeding, and upon such termination, the proceeds resulting from such condemnation shall be paid to Seller. In the event Purchaser shall not elect to terminate its obligations hereunder, the proceeds of such condemnation shall be assigned to and belong to Purchaser.
17. **Brokers.** Each party represents and warrants to the other that it has not dealt with any real estate broker or salesperson in connection with the purchase and sale contemplated hereby. Each party

broker, salesperson or finder with whom such party may have dealt in connection with this transaction

18. Purchaser Indemnifications; No Assumption of Liabilities; "AS-IS" Condition.

- (a) Purchaser agrees to and shall indemnify and save harmless the Seller, its agents and its employees against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including without limitation, reasonable litigation costs and attorneys' fees) which may be imposed upon, incurred by or asserted against the Seller or related parties after the applicable Property Closing related to or by reason of (i) any negligent or tortious act or omission of Purchaser or its employees, contractors or agents' agents; or (ii) any claims resulting in personal injury, bodily injury, sickness, disease or death (and specifically excluding herefrom any claim for personal injury, bodily injury, sickness, disease or death which claim(s) relates or arose in any matter from the period prior to the applicable Property Closing), or injury to or destruction of tangible property including the loss of use therefrom relating to or arising from the period after the applicable Property Closing.
- (b) **Defense of Claims** In the event any action or proceeding shall be brought against the Seller by reason of any claim covered under sub-section (a) above, Purchaser, upon notice from the Seller, will at its sole cost and expense, resist and defend the same, using legal counsel reasonably acceptable to the Seller
- (c) **Non-Liability of the Seller** From and after the date of Closing, the Seller shall not be responsible or liable to Purchaser, and Purchaser hereby releases the Seller from liability, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying any part of the Property. From or after the date of Closing or the date Purchaser takes possession of the Property, whichever is earlier, Purchaser shall be solely responsible for all injuries to persons and property resulting from any accident, explosion, leak or other cause arising in or about the use of the Property and its appurtenances after the date of Closing. The Seller shall not be responsible for any loss or damage resulting to Purchaser or its property or to any other person or persons on their property which may be caused by the bursting, stopping, or leaking of water, gas, sewer or steam pipes or from overflow or backing up of any sewer or water main, unless caused by the Seller's gross negligence or willful misconduct
- (d) Except and subject to the matters set forth in any other provisions of this Agreement, including but not limited to the foregoing subsections (a), (b), and (c) of this Section, the parties acknowledge that this transaction contemplates only the sale and purchase of the Property and that Seller is not selling a business nor do the parties intend that Purchaser be deemed a successor of Seller with respect to any liabilities of Seller to any third parties in connection with Seller's business operation. Accordingly, Purchaser shall neither assume nor be liable for any of the debts, liabilities, taxes or obligations of, or claims against, Seller or of any other person or entity, of any kind or nature, whether existing now, on the Closing Date or at any time thereafter related to Seller's business operation, except for the Environmental Claims and any title or survey related claims or liabilities. The debts, liabilities, taxes, obligations and claims, if any, for which Seller alone is liable shall include, without limitation, (a) all payments and benefits to past and/or present employees of Seller in connection with the business operation being conducted on or from the Property which may have accrued through the Closing Date (including, but not limited to, salaries, wages,

large benefit, and (c) all obligations of Seller under any contracts related to Seller's business operation, other than the contracts which have been assigned to, and accepted by, Purchaser pursuant to the terms hereof, if any, and (c) claims against Seller or liabilities of Seller that accrued prior to the date of each applicable Closing, whether or not any such claim is brought after the applicable Closing, except for the Environmental Remediation Claims and any title or survey related claims or liabilities. Seller shall be fully responsible for, and shall defend and hold Purchaser harmless with respect to, Seller's business operation of the Property prior to the Closing Date, all suits, actions, damages and claims which may be asserted or threatened against Purchaser from and after the Closing Date, but which shall have arisen out of Seller's business operation at the Property prior to the Closing Date, except for the Environmental Remediation Claims and any title or survey related claims or liabilities.

- (e) Except as to any representations specifically set forth in this Agreement, the Seller makes no implied or express representations or warranties of any kind as to any condition of the Property that may adversely affect the development, or its fitness for absolutely any purpose whatsoever. Upon each Closing, Purchaser will be deemed to have acknowledged that it is satisfied with the condition of the Property or portion thereof conveyed, and shall be deemed to have waived any right to object to the condition of the Property. Upon the Closing, Purchaser takes such Property as it finds it "AS IS", and the Seller makes no express or implied representations or warranties as to its fitness for absolutely any purpose whatsoever, including but not limited to any warranty that the Property is fit for the Purchaser's purpose or regarding the presence or absence of hazardous materials at, on, in, under, at, or from the Property and compliance with the Property with environmental laws.
- (f) Purchaser acknowledges that neither the Seller nor any agent or employee of the Seller has made any representation, warranty or agreement, either express or implied regarding the condition of the Property, and Purchaser has not relied on any representation, warranty or agreement of any kind made by the Seller or any agent or employee of the Seller as to the condition of the Property. Purchaser expressly acknowledges that, except as specifically set forth in this Agreement, neither the Seller nor any agent or employee of the Seller has made any representation, warranty or agreement, either express or implied, concerning (a) the physical or environmental condition of the Property, or (b) the presence or absence of any condition, substance or material, including but not limited to any waste material, equipment or device at, on, in, under, about, or from the Property. Purchaser agrees that the disclosures of the Seller concerning the Property and its condition are intended to satisfy any duties the Seller may have under the law, including but not limited to the statutes, environmental laws, and common law. By executing this Agreement Purchaser acknowledges that it is entitled to conduct its due diligence, including but not limited to inspection of the Property, and the results of the tests, investigations and surveys permitted under this Agreement. If, prior to Closing, Purchaser fails to undertake such investigations and/or obtain such test results and surveys, and Purchaser thereafter elects to proceed to Closing, Purchaser shall thereupon be deemed to have waived any right to object to the condition of the Property and shall be deemed to have declared its full satisfaction therewith.
- (g) Except as otherwise provided in this Agreement, upon each Closing, Purchaser shall release the Seller and its related parties, officials, employees, and agents (but not any third party) from any and all claims or causes of action the Purchaser may have against the Seller for any liability, injury or loss as a result of any physical defects in or physical conditions of the

19. Miscellaneous.

- (a) This Agreement embodies the entire agreement between the parties in connection with this transaction, and there are no oral or parole agreements existing between the parties relating to this transaction which are not expressly set forth herein and covered hereby. This Agreement may not be modified, except in writing signed by all parties.
- (b) Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by such party of any of its or its rights hereunder. No waiver by any party at any time, express or implied, of any breach of any provision of this Agreement shall be deemed a waiver or a breach of any other provision of this Agreement or a consent to any subsequent breach of the same or any other provision. If any action by any party shall require the consent or approval of another party, such consent or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any action on the same or any subsequent occasion.
- (c) The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience, and do not define, limit, construe or describe the scope or intent of such sections of this Agreement or in any way affect this Agreement.
- (d) No party other than Seller and Purchaser, and their respective heirs, personal representatives, successors and assigns, shall have any rights to enforce or rely upon this Agreement, which is binding upon and made solely for the benefit of Seller and Purchaser, and their respective heirs, personal representatives, successors and assigns, and not for the benefit of any other party.
- (e) Notice shall be deemed as given hereunder upon personal delivery to the addresses set forth below, or, if properly addressed, two (2) days following depositing such notice, certified mail, return receipt requested, with postage prepaid, in a United States mailbox, or one (1) day following depositing such notice in the custody of a nationally-recognized overnight delivery service for next day delivery. Notice shall be deemed properly addressed if sent to the following addresses:

If to Seller:

Director
City of Detroit Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226

With a copy to:

Corporation Counsel
City of Detroit Law Department
2 Woodward Avenue, Suite 500
Detroit, Michigan 48226

With a copy to:

Lucas J. Polcyn, Esq.
Miller Canfield
150 West Jefferson, Suite 2500
Detroit, Michigan 48226

Detroit, Michigan 48226
Attn: Eli Halpern

With a copy to:

James S. Fontichiaro, Esq.
Barris, Sott, Denn & Driker, P.L.L.C.
333 West Fort Street, Suite 1200
Detroit, Michigan 48226

- (f) This Agreement and/or the membership interests of Purchaser may not be assigned, sold or transferred by Purchaser without the express prior written consent of Seller, which may be withheld in the sole discretion of Seller, except as follows: Purchaser has executed this Agreement as "Purchaser", without personal liability, subject to the right to assign its right, title and interest in this Agreement to purchase the Garage Property, Garage and Easement Parcel or the Arena Property, or both, to one or more existing related affiliated entities or affiliated entities to be formed, without personal liability. Seller consents to the assignment of Purchaser's rights hereunder to any such person or entity on or prior to the Closing Date and Seller agrees to cooperate with any such permitted assignee.
- (g) Time is of the essence to this Agreement.
- (h) Both parties to this Agreement have participated fully and equally in the negotiation and preparation hereof. Therefore, this Agreement shall not be more strictly construed or any ambiguities within this Agreement resolved against either party hereto.
- (i) This Agreement shall be governed by the laws of the State of Michigan.
- (j) The execution and delivery of this Agreement by Purchaser shall constitute Purchaser's offer to Seller to acquire the Property upon the terms and conditions herein set forth, and execution hereof by Seller shall be deemed its acceptance of such offer and agreement to sell the Property upon such terms and conditions. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original document but together shall constitute one instrument. This Agreement shall not be effective unless Purchaser and Seller have executed this Agreement. The date on which Seller executes this Agreement is referred to as the "Effective Date". Each party shall insert the date upon which it executes this Agreement under its signature.
- (k) Seller's Authority. Notwithstanding anything in this Agreement, in law or in equity, or otherwise, to the contrary, the Seller shall not be authorized or obligated to sell the Property to Purchaser, and this Agreement shall be of no force or effect and may not in any way be enforced against the Seller, unless and until the date that this Agreement has been fully executed by the duly authorized representative of the Seller pursuant to the resolution of the Detroit City Council, as approved by the Mayor of the City of Detroit, and approved by the City of Detroit Law Department. Any amendments or modifications must likewise be duly authorized by resolution of the City Council, as approved by the Mayor, and be approved by the Law Department.

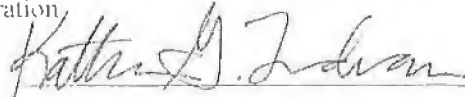
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as of the day and year first above written.

Signed:

CITY OF DETROIT, a Michigan municipal corporation

By:



Its:

Deputy Director, Planning & Development

Dated October 25, 2019

"Seller"

Pursuant to § 18-5-4 of the Detroit City Code, I hereby certify that proper and fair consideration has been received by the City pursuant to this instrument:


Finance Director

Approved by City Council on:

Approved by the Mayor on:

Approved by Corporation Counsel pursuant to § 7.5-206 of the 2012 Detroit City Charter:


Corporation Counsel

(Signatures continued on next page)

Signed:

FIRST & CONGRESS MANAGEMENT, LLC, a
Michigan limited liability company

By:


Its AUTHORIZED REPRESENTATIVE

Dated: Nov 24, 2019

"Purchaser"

Receipt of Escrow Agent

First American Title Insurance Company hereby acknowledges receipt of the sum of One Hundred Thousand and 00/100 (\$100,000.00) Dollars which it agrees to hold in escrow in accordance with the terms of the foregoing Agreement.

First American Title Insurance Company

By: _____

Its: _____

Dated: _____, 2019

"Escrow Agent"

Exhibit A-1

Description of Arena Property

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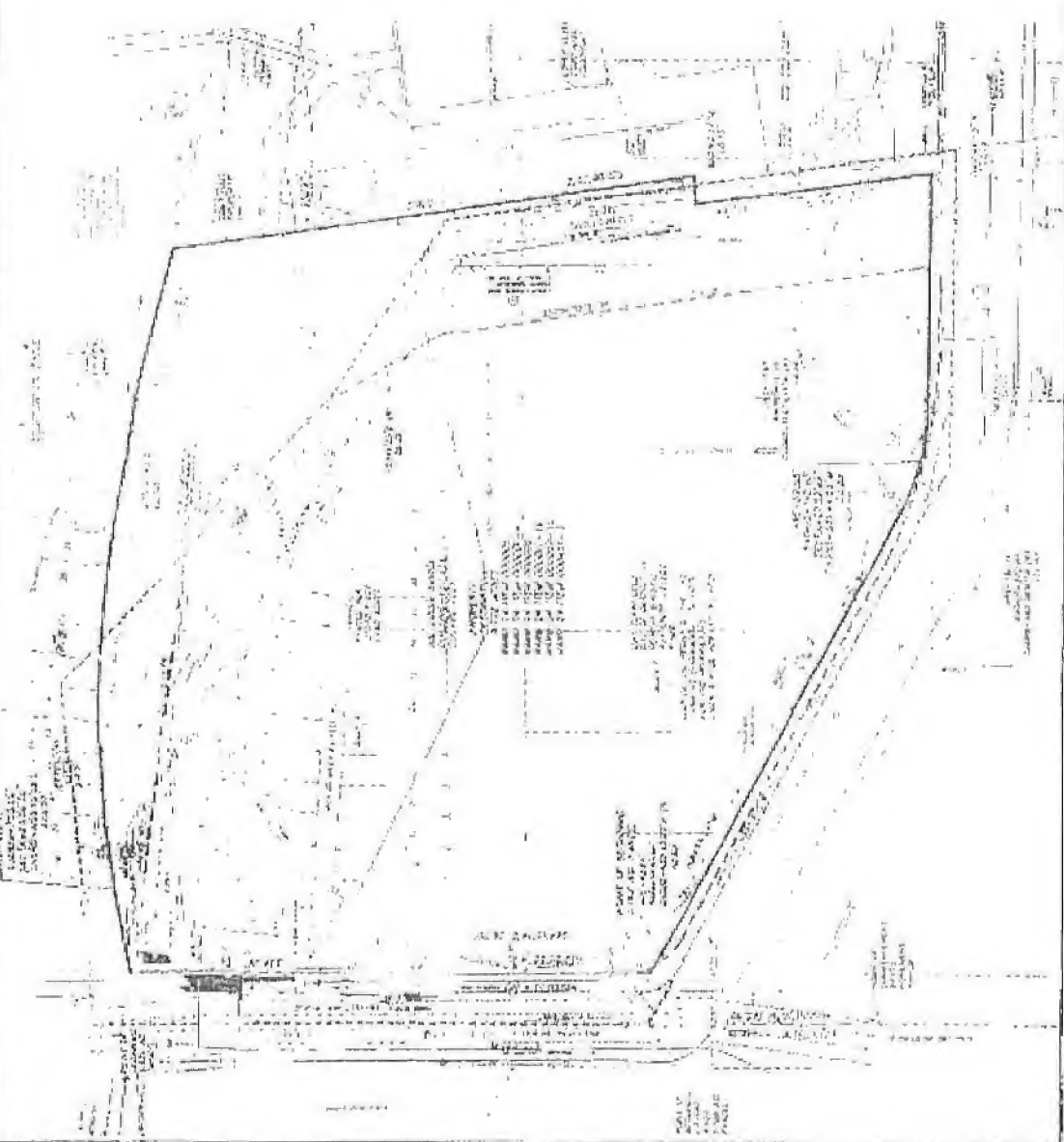
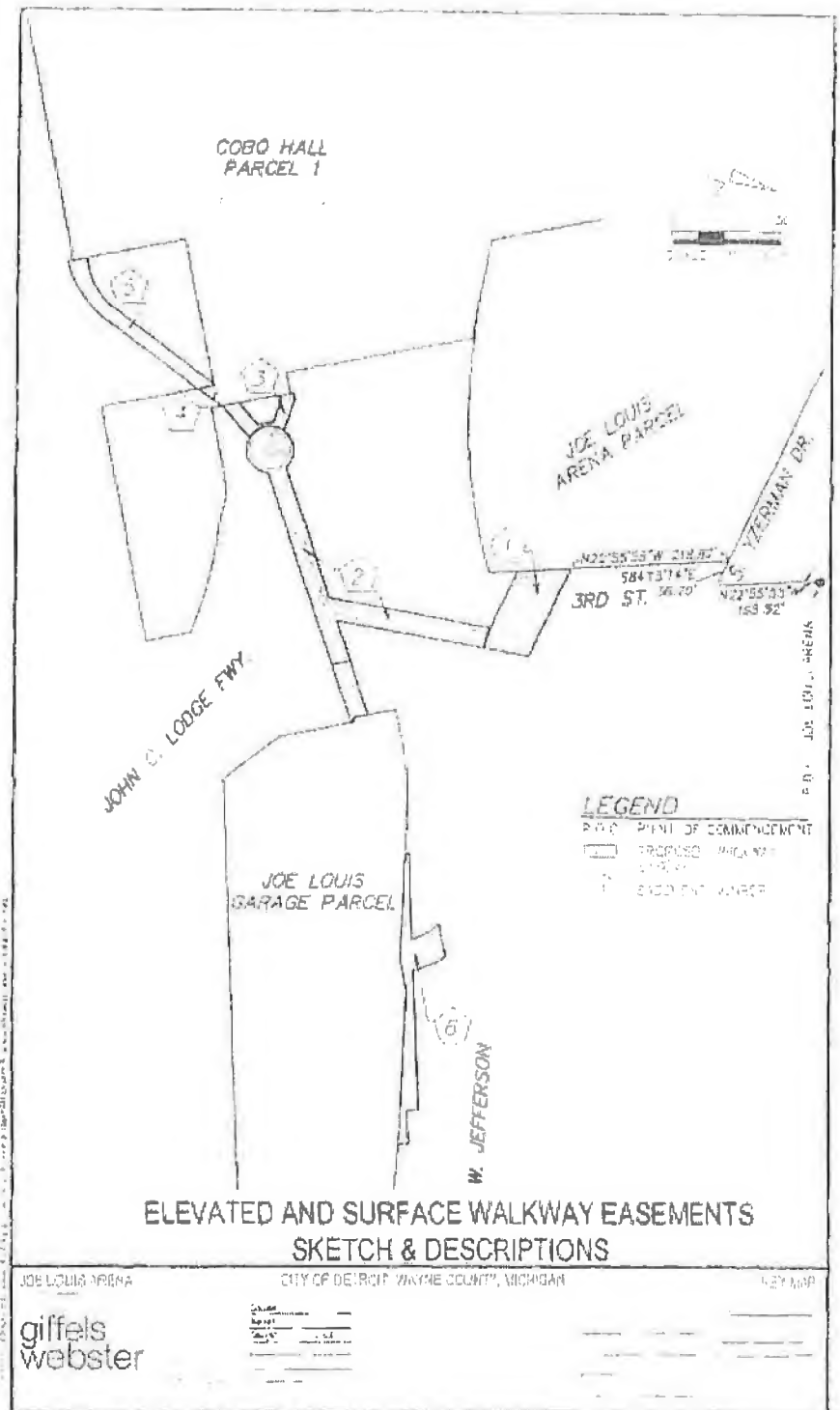


Exhibit A-2

Description of Garage Property

Exhibit A-3

Description of Easement Parcel





JOE LOUIS RENA EGA DESCRIPTION:

(PER TITLE COMMITMENT NO. 881216, REVISION C, PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY, DATED MARCH 17, 2010)
THE LAND REFERRED TO IN THIS COMMITMENT, SITUATED IN THE COUNTY OF WAYNE, CITY OF DETROIT, STATE OF MICHIGAN, IS DESCRIBED AS FOLLOWS:
LAND IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN, BEING ALL OF LOTS 11 THROUGH 21, 30 & 31, 32, 33 AND PART OF LOTS 6, 11, AND 21 OF BLOCK D; PLUS ALL OF LOT 11 BEARING 90 DEGREES 00 MINUTES 00 SECONDS EAST, ALSO PART OF LOTS 3 AND 4 OF BLOCK C; ALSO PART OF LOTS 1 THROUGH 4, BOTH INCLUSIVE, OF BLOCK 5; ALSO PART OF LOTS 22 THROUGH 30 BOTH INCLUSIVE OF BLOCK 4 ALL OF THE MAP OF THE FRONT OF THE CASE FARM AS SUBDIVIDED INTO LOTS FOR THE PROPRIETORS, ACCORDING TO THE PLAT THEREON AS RECORDED ON NOVEMBER 11, 1890, IN VOLUME 9 OF CITY RECORDS, PAGE 400, INCLUDING ALL OF THE ADJACENT STREETS AND ALLEYS ADJACENT TO THE ABOVE DESCRIBED LOTS WITHIN THE OLDS OF THE FOLLOWING MORE PARTICULARLY DESCRIBED PARCEL COMMENCING AT HARBOUR REFERENCE MONUMENT NO. 33 SAID MONUMENT BEING 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET (60' WIDE) EXTENDED, THENCE NORTH 22 DEGREES 55 MINUTES 50 SECONDS EAST, 163.32 FEET ALONG A LINE PARALLEL TO AND 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET TO A POINT ON THE NORTH LINE OF STEVE YERMAN DRIVE (DEDICATED AS ONE CENTER DRIVE) EXTENDED; THENCE SOUTH 81 DEGREES 15 MINUTES 14 SECONDS EAST, 34.70 FEET TO THE POINT OF BEGINNING; 4) THE INTERSECTION OF THE EAST LINE OF THIRD STREET AND THE NORTH LINE OF STEVE YERMAN DRIVE, THENCE NORTH 22 DEGREES 55 MINUTES 50 SECONDS WEST, 331.24 FEET ALONG SAID EAST LINE OF THIRD STREET TO A POINT ON THE SOUTH LINE OF RELOCATED JEFFERSON AVENUE (VARIABLE WIDTH); THENCE ONE FOLLOWING 3 COURSES ALONG THE SOUTH LINE OF JEFFERSON AVENUE AND JOHN C. LODGE FREEWAY: 1) ALONG A NON-TANGENT CURVE TO THE RIGHT 329.77 FEET, SAID CURVE HAVING A RADIUS OF 756.00 FEET, A CENTRAL ANGLE OF 54 DEGREES 35 MINUTES 50 SECONDS, AND LONG CHORD BEARING NORTH 88 DEGREES 15 MINUTES 53 SECONDS EAST, 324.58 FEET, AND 2) NORTH 75 DEGREES 01 MINUTES 43 SECONDS EAST, 48.50 FEET, AND 3) NORTH 81 DEGREES 08 MINUTES 07 SECONDS EAST, 89.78 FEET; THENCE SOUTH 31 DEGREES 06 MINUTES 22 SECONDS EAST, 338.27 FEET, THENCE SOUTH 83 DEGREES 43 MINUTES 17 SECONDS WEST, 131.0 FEET; THENCE SOUTH 30 DEGREES 25 MINUTES 42 SECONDS EAST, 130.04 FEET TO A POINT ON THE NORTH LINE OF STEVE YERMAN DRIVE, THENCE THE FOLLOWING 3 COURSES ALONG SAID NORTH LINE: 1) SOUTH 87 DEGREES 44 MINUTES 55 SECONDS WEST, 132.14 FEET AND 2) ALONG A TANGENT CURVE TO THE RIGHT 69.58 FEET SAID CURVE HAVING A RADIUS OF 142.40 FEET, A CENTRAL ANGLE OF 27 DEGREES 59 MINUTES 43 SECONDS, AND A LONG CHORD BEARING SOUTH 81 DEGREES 44 MINUTES 55 SECONDS WEST, 89.89 FEET AND 3) NORTH 84 DEGREES 15 MINUTES 14 SECONDS WEST, 121.12 FEET TO THE POINT OF BEGINNING.

JOE LOUIS PARKING STRUCTURE LEGAL DESCRIPTION:

(PER TITLE COMMITMENT NO. 881222, REVISION A, PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY, DATED DECEMBER 19, 2014)
THE LAND REFERRED TO IN THIS COMMITMENT, SITUATED IN THE COUNTY OF WAYNE, CITY OF DETROIT, STATE OF MICHIGAN, IS DESCRIBED AS FOLLOWS:
PART OF A PARCEL OF LAND DEFINED AS EXHIBIT "A", PARKING FACILITY PROJECT, IN INSTRUMENT RECORDED IN VOLUME 20414, PAGES 478 THROUGH 480, BOTH INCLUSIVE, REGISTER 2001401, WAYNE COUNTY RECORDS, AND THAT PART OF LARNED STREET, 60 FEET WIDE, BETWEEN W. JEFFERSON AVENUE AND THIRD AVENUE, 20 FEET WIDE, DESCRIBED AS: COMMENCING AT THE INTERSECTION OF THE WESTERLY LINE OF THIRD STREET 80 FEET WEST, AND THE NORTHERLY LINE OF LARNED STREET, 40 FEET WEST, THENCE SOUTH 59 DEGREES 30 MINUTES 52 SECONDS WEST, ALONG THE NORTHERLY LINE OF LARNED STREET, 40.84 FEET TO THE INTERSECTION WITH THE FACE OF THE STAIR/ELEVATOR TOWER AND THE POINT OF BEGINNING; THENCE 1.29 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTH, BEING THE FACE OF THE STAIR/ELEVATOR TOWER WITH A RADIUS OF 25.04 FEET, A DELTA OF 02 DEGREES 51 MINUTES 15 SECONDS AND A LONG CHORD OF 1.29 FEET BEARING NORTH 57 DEGREES 59 MINUTES 25 SECONDS WEST, THENCE NORTH 30 DEGREES 50 MINUTES 10 SECONDS WEST, 131.00 FEET, THENCE NORTH 26 DEGREES 27 MINUTES 15 SECONDS WEST, 49.44 FEET TO THE NORTHWESTLY CORNER OF THE JOE LOUIS ARENA PARKING STRUCTURE, THENCE SOUTH 60 DEGREES 35 MINUTES 20 SECONDS WEST, 821.88 FEET ALONG THE NORTHERLY SIDE OF SAID STRUCTURE, THENCE SOUTH 21 DEGREES 24 MINUTES 30 SECONDS EAST, 70.14 FEET; THENCE WESTERLY ALONG THE COURSES 10 FEET NORTH OF A SERVICE DRIVE SOUTH 85 DEGREES 35 MINUTES 30 SECONDS WEST, 50.38 FEET, THENCE 61.07 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTH WITH A RADIUS OF 75 FEET, A DELTA OF 47 DEGREES 25 MINUTES 11 SECONDS AND A LONG CHORD OF 60.22 FEET, BEARING SOUTH 38 DEGREES 25 MINUTES 28 SECONDS WEST, THENCE 15.77 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE NORTH WITH A RADIUS OF 20 FEET, A DELTA OF 43 DEGREES 08 MINUTES 54 SECONDS AND A LONG CHORD OF 18.16 FEET BEARING SOUTH 35 DEGREES 47 MINUTES 48 SECONDS WEST, THENCE 72.18 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTH WITH A RADIUS OF 107 FEET, A DELTA OF 20 DEGREES 59 MINUTES 40 SECONDS AND A LONG CHORD OF 71.34 FEET BEARING SOUTH 47 DEGREES 52 MINUTES 25 SECONDS WEST, THENCE 30.17 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTH WITH A RADIUS OF 32.74 FEET, BEARING SOUTH 47 DEGREES 52 MINUTES 25 SECONDS WEST, 23.33 FEET, THENCE SOUTH 29 DEGREES 11 MINUTES 30 SECONDS EAST, 47.04 FEET, THENCE NORTH 77 DEGREES 23 MINUTES 05 SECONDS EAST, 221.19 FEET, THENCE 80.18 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE NORTH WITH A RADIUS OF 972 FEET, A DELTA OF 3 DEGREES 32 MINUTES 50 SECONDS AND A LONG CHORD OF 80.12 FEET BEARING NORTH 25 DEGREES 38 MINUTES 40 SECONDS EAST, THENCE NORTH 23 DEGREES 50 MINUTES 15 SECONDS EAST, 10.45 FEET, THENCE NORTH 59 DEGREES 50 MINUTES 30 SECONDS WEST, ALONG THE NORTHERLY SIDE OF LARNED STREET, 80 FEET WEST, 1.20 FEET, THENCE NORTH 73 DEGREES 50 MINUTES 15 SECONDS EAST, 165.12 FEET TO A POINT OF TANGENCY, THENCE 100.92 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100 FEET, A DELTA OF 8 DEGREES 17 MINUTES 28 SECONDS AND A LONG CHORD OF 103.47 FEET BEARING NORTH 70 DEGREES 17 MINUTES 31 SECONDS EAST, THENCE NORTH 59 DEGREES 30 MINUTES 10 SECONDS EAST, 75.11 FEET, THENCE NORTH 30 DEGREES 10 MINUTES 10 SECONDS WEST, 100.92 FEET TO THE POINT OF BEGINNING.
PART OF TAX MAP NO. 3000007-9-200000 BE & 000000-5-200000 04

JOE LOUIS ARENA

CITY OF DETROIT, WAYNE COUNTY, MICHIGAN

PLAT OF RECORD 1

**giffels
webster**

Registered Professional Surveyor
EX-000000000000000000

Acres: 1.14
Meters: 29.4
Square Feet: 2.5
Square Meters: 0.64
Meters: 1.2
Meters: 1.2

Surveyed: 2014
By: [Signature]
Check: [Signature]
Date: 12/19/14
Scale: As Shown
Notes: See Plat

$$= 2.5 \times 10^{-4} \text{ mol/L}$$

[illegible]

527'55"55"
75.02'

584'06'09"E
91'61'

25'
PEOPLE MOVER

F.O.C.

N51°32'42"
 58.28"
 S30°56'45"
 11.97"

64.39'

JOE LOUIS
GARAGE PARCEL

LEGEND

21. 21.07.2017

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Webster

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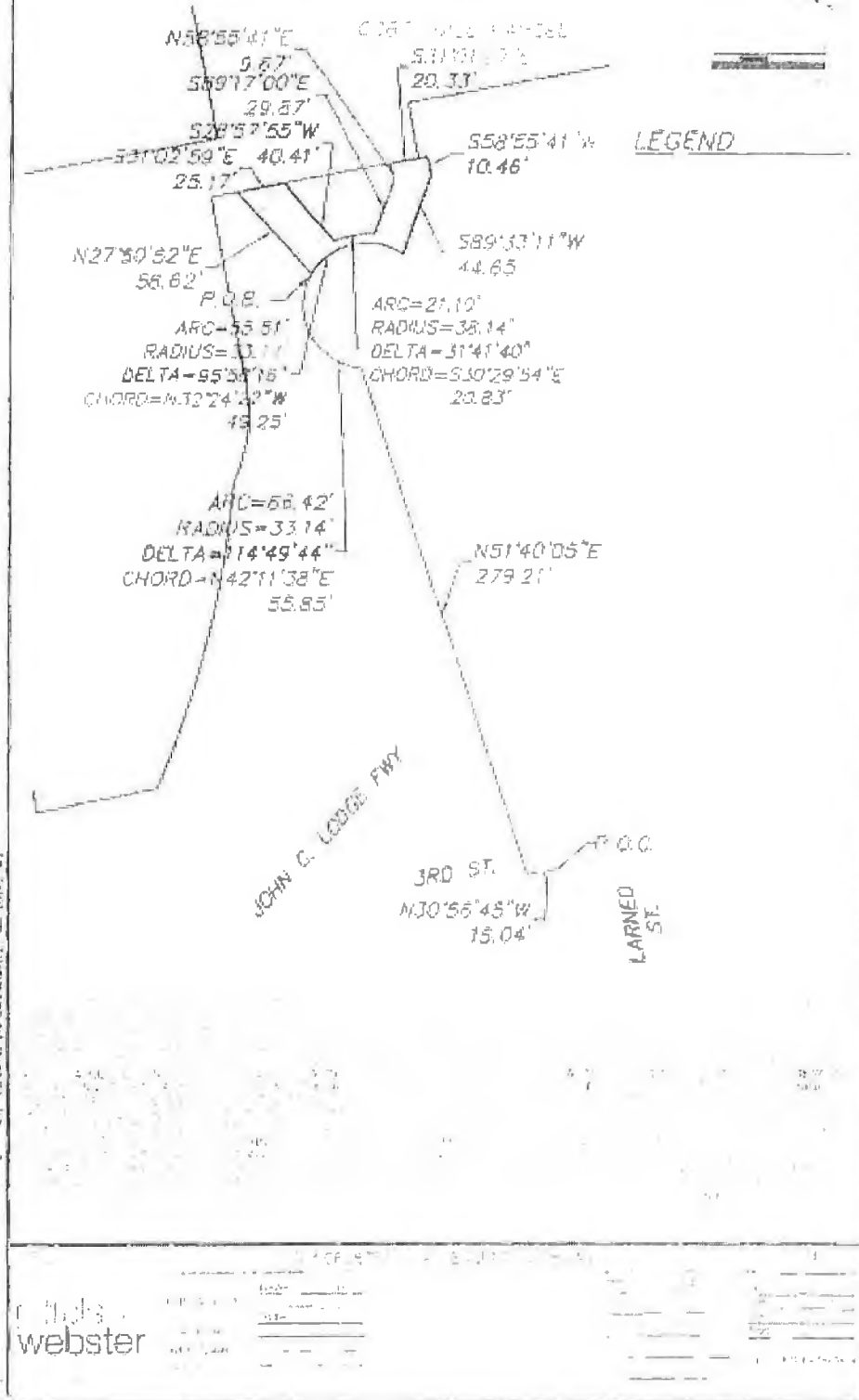
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JOE LOUIS
ARMED & DANGEROUS

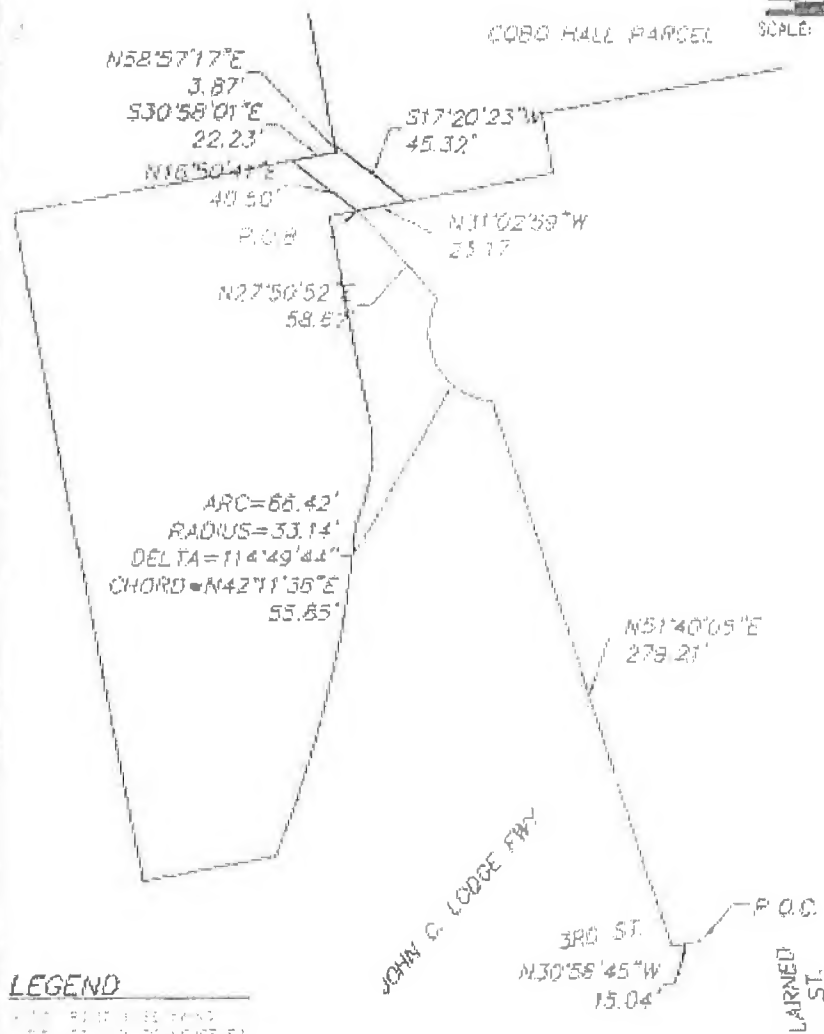
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EASEMENT EXHIBIT NO. 3 (SURFACE WALKWAY)



EASEMENT EXHIBIT NO. 4 (SURFACE WALKWAY)



LEGEND

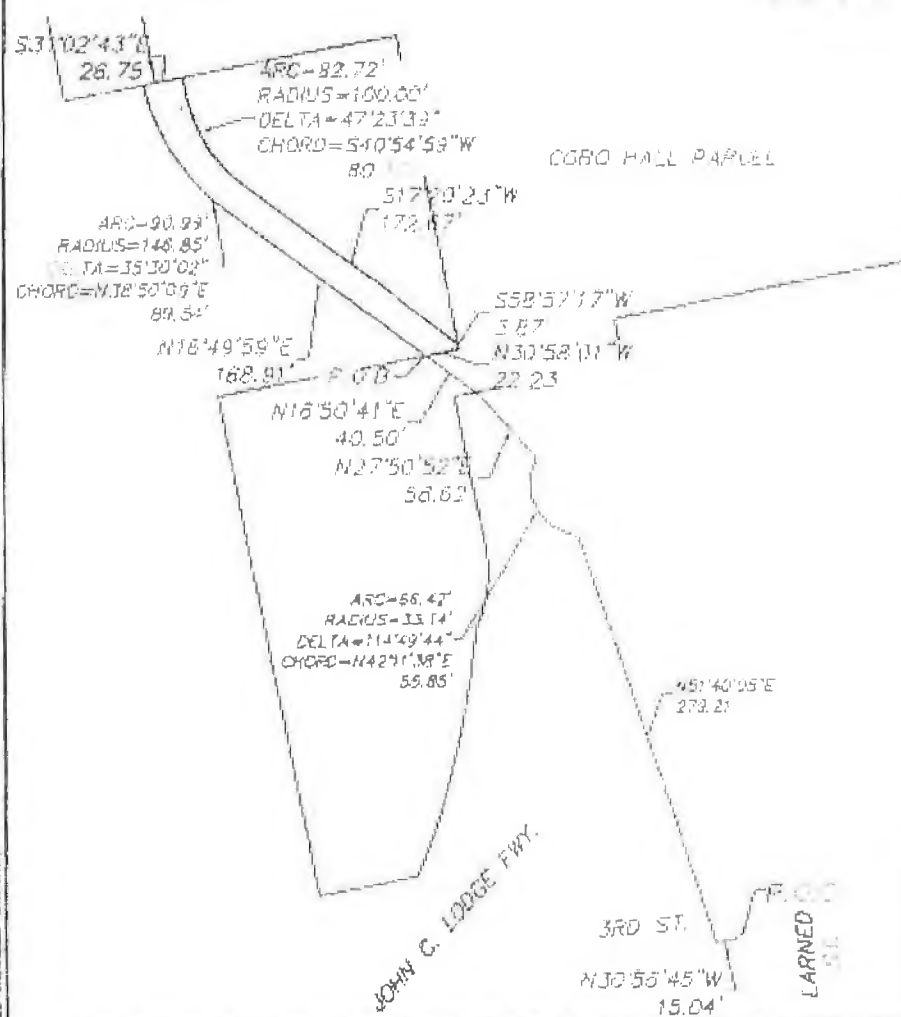
1. ALL DISTANCES ARE IN FEET
2. ALL ANGLES ARE IN DEGREES

THIS SURVEY WAS MADE BY THE CLIFFS WEBSTER SURVEYING COMPANY, INC. ON BEHALF OF THE CLIFFS WEBSTER SURVEYING COMPANY, INC. FOR THE PURPOSE OF DETERMINING THE LOCATION AND WIDTH OF A SURFACE WALKWAY EASEMENT ACROSS THE COBO HALL PARCEL TO THE JOHN C. LODGE FARM. THE SURVEY WAS MADE ON THE 15TH DAY OF MAY, 2011. THE SURVEYOR'S CERTIFICATE OF QUALITY IS ATTACHED HERETO. THE SURVEYOR'S CERTIFICATE OF QUALITY IS ATTACHED HERETO. THE SURVEYOR'S CERTIFICATE OF QUALITY IS ATTACHED HERETO.

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THE LAND SITUATED IN THE CITY OF BIRMINGHAM, COUNTY OF ALABAMA, BEING PART OF JOHN C. LEWIS FREEWAY (FORMERLY NORTH BUILDING) AND PART OF W. ROBERTSON STREET (AN OLD FINE PAVED) BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF THIRD STREET, 30 FEET WIDE, AND THE NORTHERLY LINE OF LARKIN STREET, 40 FEET WIDE, THENCE NORTH 30 DEGREES 50 MINUTES 45 SECONDS WEST, ALONG THE WESTERLY LINE OF THIRD STREET 13.24 FEET, THENCE NORTH 29 DEGREES 45 MINUTES 55 SECONDS EAST, 279 FEET, THENCE AS 42 FEET ALONG THE ARC OF A CURVE BEGINNING AT THE NORTH END HAVING A RADIUS OF 33.16 FEET, A DELTA OF 114 DEGREES 40 MINUTES 11 SECONDS AND A LONG CHORD OF 52.30 FEET BEARING NORTH 42 DEGREES 17 MINUTES 55 SECONDS EAST, THENCE NORTH 27 DEGREES 45 MINUTES 55 SECONDS EAST, 50.02 FEET, THENCE NORTH 18 DEGREES 40 MINUTES 50 SECONDS EAST, 41.50 FEET TO THE POINT OF BEGINNING, THENCE NORTH 10 DEGREES 45 MINUTES 50 SECONDS EAST, 142 FEET, THENCE 50.20 FEET ALONG THE ARC OF A CURVE BEGINNING AT THE NORTH END HAVING A RADIUS OF 140.55 FEET, A DELTA OF 10 DEGREES 50 MINUTES 02 SECONDS AND A LONG CHORD OF 45.54 FEET BEARING NORTH 30 DEGREES 50 MINUTES 45 SECONDS EAST, THENCE SOUTH 30 DEGREES 02 MINUTES 43 SECONDS EAST, 26.05 FEET, THENCE NORTH 70 FEET ALONG THE ARC OF A CURVE BEGINNING AT THE NORTH END HAVING A RADIUS OF 100.00 FEET, A DELTA OF 47 DEGREES 21 MINUTES 30 SECONDS AND A LONG CHORD OF 80.30 FEET BEARING SOUTH 48 DEGREES 45 MINUTES 50 SECONDS WEST, THENCE SOUTH 17 DEGREES 20 MINUTES 13 SECONDS WEST, 13.24 FEET, THENCE SOUTH 50 DEGREES 50 MINUTES 17 SECONDS WEST, 142 FEET, THENCE NORTH 30 DEGREES 50 MINUTES 45 SECONDS WEST, 32.33 FEET TO THE POINT OF BEGINNING.

EXHIBIT 3

Age	41 (14)
Sex	M
Marital	Married
Occupation	Business

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ST.

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EASEMENT AGREEMENT

This Easement Agreement is made, declared and granted this ____ day of _____, 2019, by THE CITY OF DETROIT, a Michigan public body politic and corporate, acting through its Department of Planning and Development, whose address is c/o Jobs and Economy Team, Mayor's Office, Coleman A. Young Municipal Center, 2 Woodward Avenue, Suite 1126, Detroit, MI 48226 (hereinafter, called "Grantor") to and for the benefit of FIRST & CONGRESS MANAGEMENT, LLC, a Michigan limited liability company, and its successors and assigns, whose address is 333 West Fort Street, Suite 1350, Detroit, MI 48226 (hereinafter called "Grantee").

Recitals:

Simultaneously with the execution hereof, the Grantor has sold, granted, bargained and conveyed to the Grantee certain parcels of real estate located in the City of Detroit, Wayne County, Michigan commonly known as: (i) the Joe Louis Arena, more particularly described on **Exhibit A-1**, attached (the "Arena Property") and (ii) the Joe Louis Arena Garage, more particularly described on **Exhibit A-2** (the "Garage Property"). The Arena Property and the Garage Property are collectively referred to as the "Developer Parcel."

As a condition of, and in consideration of the sale of the Developer Parcel, Grantor desires to grant and declare for the benefit of Grantee and its successors, assigns, mortgagees, lessees, employees, agents, customers, licensees, and invitees, and for the benefit of the Developer Parcel six (6) exclusive easements and irrevocable licenses for vehicular and/or pedestrian traffic to access, use and operate (x) the above-ground pedestrian walkways and associated towers to access the Detroit Regional Convention Facility (formerly known as Cobo Hall) and the Detroit People Mover Station from the Developer Property, and (y) to access the Garage from the Lodge Freeway, and (z) to maintain certain encroachments of the Garage (hereafter defined) in the Easement Parcel (hereafter defined), all more particularly described on Exhibit A-3 in accordance with the terms and conditions hereinafter set forth.

Now, therefore, in consideration of the mutual covenants and agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing recitals of fact are true and accurate and are incorporated into this Easement Agreement.
2. Definitions.
 - (a) "Garage" means the ____ space parking garage located on the Garage Parcel, and any future replacement or reconstruction of the Garage on the Garage Parcel.
 - (b) "Improvements" means to the extent of Grantor's interest therein, if any (i) the walkways and associated towers; and (ii) any roadways, streets sidewalks, and parking areas; and (iii) sanitary sewers, storm drains, retention basins, water, electric and gas lines, telephone lines, vaults, conduits and transformers and other utility lines and facilities, located within the Easement Parcel.
3. Grant of Easement. Grantor hereby declares, grants and conveys to the Grantee and its successors, assigns, mortgagees, lessees, sub-lessees, employees, agents, customers, licensees and invitees, and for the benefit of the Developer Parcel, permanent and exclusive easements and rights to use the easement areas described on **Exhibit B** including the air space above the easement area, attached hereto (the "Easement

vehicular or pedestrian traffic, to and from the Developer Parcel; and (ii) to install, maintain and repair the Garage Improvements, including any footings and underground supports which extend beyond the boundaries of Garage Parcel into the Easement Parcel; and (iii) installation, operation and maintenance of sanitary sewers, storm drains, retention basins, water, electric and gas lines, telephone lines, vaults, conduits and transformers and other utility lines and related facilities located within the Easement Area.

4. **Maintenance and Repair.** Grantee shall, while this Agreement is in effect, operate, maintain, repair and replace or cause to be operated, maintained, repaired and replaced, all the Improvements within the Easement Parcel and shall keep the same, or cause the same to be continuously kept, in good condition and repair, in a safe and sound condition, and clean and free of rubbish and debris. Such maintenance, operation and repair shall include, but not be limited to, the following:
 - (a) Maintenance, repair and replacement of concrete and asphalt paving and other surface materials used on drives, parking areas and walkways as well as the structural components of the Improvements; and
 - (b) Maintenance, repair and replacement of all electrical and other utility equipment and facilities so that the same are at all times in good operating condition, including lighting in the Improvements.
5. **Right to Terminate.** At any time after the date of this Easement Agreement, the Grantee may, in its sole discretion, by written notice given to the Grantor and thereafter duly recorded in the office of the Wayne County Register of Deeds, terminate in whole or in part, for itself, its successors and assigns, its rights and obligations under this Agreement as to all or any portion of the Easement Parcel. The right of termination herein provided shall be exercised only by thirty (30) days written notice by Grantee to Grantor and thereafter duly recorded in the office of the Wayne County Register of Deeds. If the Grantee terminates this Easement Agreement as to only a portion of the Easement Parcel, then this Easement Agreement shall remain in full force and effect as to the remainder of the Easement Parcel as to which the Grantee has not exercised its termination rights. There is no limitation on the number of times the Grantee may partially terminate this Easement Agreement as to a portion of the Easement Parcel.
6. **Mortgage Subordinate.** Any mortgage or lien on the fee interest in the Easement Parcel affecting any portion of the Easement Parcel shall at all times be subject and subordinate to the terms of this Easement Agreement and any mortgagee foreclosing any such mortgage or acquiring title by reason of a deed in lieu of foreclosure shall acquire title to the premises affected thereby subject to all of the terms of this Easement Agreement.
7. **Eminent Domain.** In the event any part of the Easement Parcel shall be taken by eminent domain or any other similar exercise of governmental authority, the entire award for value of the land and improvements so taken shall belong to the Grantee or to any Mortgagee of Grantee, as their respective interests may appear, and Grantor shall not claim any portion of such award by virtue of any interest created by this Agreement.
8. **Obligations of Agreement.** Each and every covenant, undertaking, condition, easement, license, right, and privilege, made or granted in this Easement Agreement is for the personal benefit of the Developer and for the benefit of the Developer Parcel and shall be an equitable servitude on the Easement Parcel, and shall run with the land, and shall be binding upon the parties hereto, and such party's successors, assigns, mortgagees, tenants, customers and invitees and shall inure to the benefit of the Developer Parcel and the owner(s) of the Developer Parcel and their successors, assigns, mortgagees, tenants, customers and invitees. Any transferee of any part of the Developer Parcel

obligations accrue after the effective date of such transfer of title. Any transferor shall upon the consummation of such transfer be relieved of all further liability under this Agreement except such liability as may have arisen during its period of Ownership.

9. **No Waiver.** No delay or omission in the exercise of any right accruing upon any default shall impair any such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default.
10. **No Termination For Breach.** It is expressly agreed that no breach, whether or not material, of the provisions of this Agreement shall entitle the Grantor to cancel, rescind or otherwise terminate this Agreement, but such limitation shall not affect, in any manner, any other rights or remedies which Grantor may have hereunder by reason of any breach of the provisions of this Agreement.
11. **No Dedication to Public.** Nothing contained in this Agreement shall be deemed to be a gift or dedication of any portion of the Easement Parcel or the Developer Parcel to the general public or for any public use or purpose whatsoever, it being the intention of the parties hereto that this Agreement is for the exclusive benefit of the Grantee and its successors, assigns, mortgagees, tenants, customers and invitees, and that nothing in this Agreement, express or implied, shall confer upon any other person any rights under or by reason of this Agreement. The Grantee shall have the right from time to time to close all or any portion of the Easement Parcel to such extent as may be necessary to prevent a dedication thereof to the public or the accrual of any rights in any person, not expressly granted rights hereunder.
12. **Amendment, Modification or Termination** This Agreement may be amended or modified at any time by a declaration in writing mutually agreed to, executed and acknowledged by the Grantor and Grantee and thereafter duly recorded in the Office of the Wayne County Register of Deeds. This Agreement shall not be terminated, amended, altered or modified in any way without the prior written consent of each first Mortgagee then encumbering the Developer Parcel or any portion thereof.
13. **Integration; Severability** This Agreement embodies the entire agreement and understanding between Grantor and Grantee with regard to the subject matter hereof and supersedes all prior agreements and understandings with respect thereto. In case any one or more of the obligations of the parties under this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining obligations of the parties shall not in any way be affected or impaired thereby.
14. **Governing Law.** This Agreement shall be construed in accordance with the laws of the State of Michigan.
15. **Headings.** The section headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement and shall not be considered in any construction or interpretation of this Agreement or any part thereof.
16. **No Partnership.** Nothing in this Agreement shall be construed to make the Grantor and Grantee partners or joint venturers or render any of either of such parties liable for the debts or obligations of the other.
17. **Force Majeure.** Grantee shall be excused from performing any obligation or undertaking provided in this Agreement in the event, but only so long as, the performance of such obligation is prevented or delayed by strikes, lockouts, inability to procure materials or permits, power failure, acts of God,

18. Notices. Any notice or other communication made pursuant to this Agreement shall be in writing and shall be given or made or communicated by personal delivery; by United States registered or certified mail, return receipt requested; or by prepaid Federal Express or other nationally recognized overnight delivery service addressed, in the case of Grantor, to:

The City Of Detroit
Department of Planning and Development
c/o Jobs and Economy Team
Mayor's Office, Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1126
Detroit, MI 48226

And in the case of Grantee, to:

First & Congress Management, LLC
333 West Fort Street, Suite 1350
Detroit, MI 48226

Any notice, demand, request, consent, approval, designation or other communication so sent shall be deemed to have been given, made or communicated, as the case may be, on the date the same was personally delivered or delivered by the United States mail as registered or certified matter, with postage thereon fully prepaid, or delivered by Federal Express or other nationally recognized overnight delivery service.

SIGNATURES AND NOTARIES ON FOLLOWING PAGES

Signed:

CITY OF DETROIT MICHIGAN, a Michigan
municipal corporation

By: _____

Its: _____

"Grantor"

Pursuant to § 18-5-4 of the Detroit City Code,
I hereby certify that proper and fair consideration
has been received by the City pursuant to this
instrument:

Finance Director

Approved by City Council on:

Approved by the Mayor on:

Approved by Corporation Counsel pursuant to § 7.5-206 of the 2012 Detroit City Charter:

Corporation Counsel

STATE OF MICHIGAN)
) s3
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this ____ day of _____
2019, by _____, the _____ of the City of
Detroit Michigan, a Michigan municipal corporation, on behalf of the corporation.

Printed name:
Notary Public, Wayne County, Michigan
My Commission Expires:
Acting in the County of Wayne

FIRST & CONGRESS MANAGEMENT, LLC, a
Michigan limited liability company

By: _____

Its: _____

"Grantee"

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____, the _____ of First & Congress Management, LLC, a Michigan limited liability company, on behalf of the limited liability company.

Printed name:
Notary Public, Wayne County, Michigan
My Commission Expires:
Acting in the County of Wayne

DRAFTED BY AND WHEN
RECORDED RETURN TO:

C. David Bargamian, Esq.
Barris, Sott, Denn, & Driker, PLLC
333 W. Fort Street, Suite 1200
Detroit, Michigan 48226
313-965-9725

Attachment IV

1213.A and City of Detroit Contract of Peace for Repairs to the Joe Louis Arena
Garage

CONTRACT OF LEASE

This Contract of Lease (the "Contract") made and executed this 15th day of February, 2019, by and between the **CITY OF DETROIT BUILDING AUTHORITY**, a public authority and body corporate of the State of Michigan, organized and existing under the authority of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended (hereinafter the "Authority"), and the **CITY OF DETROIT**, a Michigan municipal corporation organized and existing under the laws of the State of Michigan acting by and through its **MUNICIPAL PARKING DEPARTMENT** (hereinafter the "City").

WITNESSETH:

WHEREAS, the Authority has been incorporated in accordance with the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended (the "Act"), for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating and maintaining buildings, automobile parking lots or structures, recreational facilities, stadiums and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, for the use of any legitimate public purpose of the City; and

WHEREAS, pursuant to the Act, the Authority and the City may enter into a contract or contracts under which the Authority will acquire property contemplated by the terms of the Act and lease the same to the City for a period not to exceed three (3) years; and

WHEREAS, pursuant to the Act, the leasing of property by the City to the Authority for the improvement of any building or buildings, automobile parking lots or structures, recreational facilities, stadiums and the necessary site or sites therefor, together with appurtenant properties and facilities, constitutes a benefit to and a legitimate public purpose of the Authority and the City; and

WHEREAS, the City desires to engage the assistance of the Authority to manage the capital improvements to re-open the Joe Louis Arena Parking Garage located at 900 West Jefferson, Detroit, Michigan ("Project"); and

WHEREAS, the total cost of the Project is estimated to be Two Million Seven Hundred Sixty-Seven Thousand and 00/100 (\$2,767,000); and

WHEREAS, such funds are currently available for this Project; and

WHEREAS, the City has advised the Commissioners of the Authority that the Project is necessary and advisable to meet the needs of the citizens of the City and others; and

WHEREAS, the Authority desires to assume management responsibility for the Project.

IT IS THEREFORE, AGREED BY AND BETWEEN THE PARTIES HERETO, for and in consideration of the mutual covenants hereinafter contained as follows:

ARTICLE I
Duties of the City

1.01. The City Finance Director shall pay the Authority for all vouchers received from the Authority for work performed and to be performed on the Project, within the time period required for payment under the terms and conditions of any and all contracts assigned by the City to the Authority or entered into by the Authority for the benefit of the City with respect to the Project.

1.02. The City shall execute such other contracts and provide such other information, plans and specifications as the Authority may reasonably require for completing the Project.

ARTICLE II
Duties of the Authority

2.01. The Authority may require and secure from any contractor undertaking work on the Project necessary and proper bonds to guarantee the performance of said contract, labor and material bonds and shall require Workers' Compensation, Comprehensive General Liability and Automobile Liability Insurance in such amounts, with such features and in such form as is mutually agreed upon by the parties, or as may be required by law. To the extent permitted by law and commercially available, the City and the Authority shall be named as additional insureds on all such insurance.

ARTICLE III
Lease and Leaseback

3.01. In consideration for the management of the Project as herein specified, the City does hereby let and lease the site upon which the Project is to be constructed, as more particularly described in Exhibit A to the Contract (the "Project Site"), to the Authority, to have and to hold for a term commencing on the date of this Contract and ending three years from such date, subject to the provisions of Article VIII and Article IX hereof.

3.02 In consideration of the rentals to be paid by the City for the improvements to be made as specified herein, the Authority does hereby let and leaseback the Project Site upon which the Project is to be completed to the City; *provided*, however, that the Authority shall retain such leasehold interest in the Project and the Project Site as shall be necessary to complete the Project in accordance herewith during the term described in Section 3.01 hereof.

ARTICLE IV Compliance with Law

4.01. The City and the Authority covenant and agree that they will not permit the use of the Project in any manner inconsistent with local, state or federal laws, rules or regulations now or hereafter in force and applicable hereto. The City further covenants and agrees that it will promptly, and at its own expense, make and pay for any and all changes and alterations to the Project which, during the term of this Contract, may be required at any time by reason of local, state or federal laws, and to save the Authority harmless and free from all cost or damage in respect thereto.

ARTICLE V Assignment of Residual Leasehold Interest

5.01. On the date the Project is completed, as determined by the Authority, the Authority shall be deemed to have assigned to the City its residual leasehold interest in the Project and the Project Site, or if requested by the City, shall execute a separate assignment of said residual interest in such form and manner as may be approved by the Corporation Counsel of the City, whereupon the terms of this Contract will terminate pursuant to Article VIII hereof, unless otherwise agreed by the Authority and the City.

ARTICLE VI Insurance

6.01. The City shall provide and maintain insurance of the type and in the amount customarily provided for other projects of the type here being constructed.

6.02. The City shall have the right, in its sole discretion, to self-insure the Project against any portion or all of the risks which are customarily insured against in projects of the type here being constructed.

6.03. Any funds received by the Authority or the City from any insurance policies, or from self-insurance funds, or otherwise, because of casualty or damage to the Project, shall be used promptly to restore the Project to a condition satisfactory to the Authority and the City. If such funds are not sufficient to so restore the Project, the City shall provide sufficient additional funds therefor in such amounts as the City and the Authority may agree.

ARTICLE VII
Assignment and Subleasing

7.01. Except for the Authority's assignment of its residual interest as provided for in Section 5.01, the leasehold rights, duties and obligations of the City and the Authority, as specified in this Contract, shall not be assigned, in whole or in part, during the term of this Contract.

7.02. The City may sublease the Project Site in question, or any part of the Project Site or may contract for the use of the Project Site or any part of the Project Site, where the sublease benefits and serves a legitimate public purpose of the City.

7.03. In no event shall any unauthorized assignment or any subleasing release the City from its obligations to pay rent, insurance and the cost of indemnification as provided herein.

ARTICLE VIII
Term of Contract

8.01. This Contract shall terminate three (3) years from the date of this Contract, unless otherwise agreed by the Authority and the City.

ARTICLE IX
Default

9.01. In the event that a party hereto defaults or materially breaches the terms and conditions of this Contract, the non-defaulting party may terminate this Contract upon thirty (30) days prior written notice. The party claiming the right to terminate hereunder shall specify in its written notice the reason(s) underlying the alleged default.

9.02. This Contract may be terminated at any time prior to completion of the Project by the mutual written consent of the parties hereto.

ARTICLE X
Rent

10.01. Upon execution of the Contract, the City agrees to authorize vouchers to pay all invoices and requests for payment submitted to it by the Authority for all work performed and to be performed pursuant to the Contract and such additional expenses, including the reasonable administrative costs of the Authority, as the Authority in its best judgment deems necessary, in an amount not to exceed Two Million Seven Hundred Sixty-Seven Thousand Dollars and 00/100 (\$2,767,000).

ARTICLE XI
Indemnification

11.01. To the extent permitted by law, the City agrees to defend, indemnify and hold harmless the Authority, its Commissioners and employees from any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, fees and expenses of attorneys, expert witnesses and consultants which may be imposed upon, incurred by or asserted against the Authority, arising from any accident, loss, casualty or damage resulting to any person or property through any use, misuse, or nonuse of said Project, or by reason of any act or thing done or not done on, in or about said Project or in relation thereto.

ARTICLE XII
Access to the Project

12.01. The Authority, its employees, agents or representatives may enter the Project for the purpose of completing the construction of the Project and pending final completion of construction of the Project, the City shall operate and use the facilities thereof in such manner as not to interfere with the construction of the Project by the Authority, its employees, agents or representatives.

ARTICLE XIII
Condemnation or Destruction

13.01. In the event of condemnation, destruction or damage to any part or all of the Project during the term of the Contract, the City shall have the option to terminate this Contract upon compliance with all reasonable terms and conditions of the Authority.

ARTICLE XIV
Fair Employment Practices

14.01 Compliance with State and Federal Laws. In accordance with the United States Constitution and all federal legislation and regulations governing fair employment practices and equal opportunity, including but not limited to, Titles VI and VII of the Civil Rights Act of 1964 (P.L. 88-352, 78 STAT. 252), and United States Department of Justice Regulations issued pursuant to those Titles (28 C.F.R. Part 42), and in accordance with the Michigan Constitution and all state laws and regulations governing fair employment practices and equal employment opportunity, including, but not limited to, the Michigan Civil Rights Act (P.A. 1976 NO. 453) and the Michigan Handicappers Civil Rights Act (P.A. 1976 NO. 220), the Authority agrees that it will not discriminate against any person, employee, consultant, or applicant for employment with respect to his (or her) hire, tenure, terms, conditions or privileges of employment or hire because of his (or her) religion, race, color, national origin, age, sex, height, weight, marital status, or handicap that is unrelated to the individual's ability to perform the duties of a particular job or position. The Authority recognizes the right of the United States and the State of Michigan to seek judicial enforcement of the foregoing covenants against discrimination

against itself or its contractors

14.02. Compliance with City Laws. The Authority agrees to comply with all rules and procedures adopted by the Human Rights Department and shall not discriminate against any employee or applicant for employment, training, education, or apprenticeship connected directly or indirectly with the performance of the Contract with respect to his (or her) hire, promotion, job assignment, tenure, terms, conditions or privileges of employment because of race, color, creed, national origin, age, marital status, handicap, public benefit status, sex, or sexual orientation. The Authority shall promptly furnish any information required by the City Human Rights Department pursuant to this Section 14.02.

14.03. Compliance of Contractors. The Authority agrees that it shall notify any of its contractors of its obligations relative to nondiscrimination under this Contract of Lease when soliciting same and shall include the provisions of this Article in any contract, as well as provide the City with a copy of any such contract. With respect to any contract for the procurement of goods and services for the Project, the Authority further agrees to take such action as the City may lawfully direct as a means of enforcing such provisions.

14.04 Anti-Kickback Laws. The Authority shall require that each of its contractors comply with all anti-kickback laws, including the Copeland Anti-Kickback Act (18 USC §874), and shall prohibit such contractors from inducing, by any means, any person employed in connection with the Project to give up any part of the compensation to which he/she is otherwise entitled. Contractors of the Authority shall be required to insert in their subcontracts substantially similar language to the language in this Section to ensure compliance by subcontractors with the terms of this Section.

14.05 Anti-Bribery. Contractors of the Authority and each of their subcontractors are prohibited from paying or accepting any bribe in connection with securing a contract entered into pursuant to this Contract or in connection with performing under the terms of such a contract. Contractors of the Authority shall insert in their subcontracts substantially similar language to the language in this Section to ensure compliance by subcontractors with the terms of this Section.

14.06. Material Breach. Breach of the covenants in this Article XIV shall be deemed to be a material breach of this Contract.

ARTICLE XV Notices

15.01. All notices, consents, approvals, requests, and other communications ("Notices") required or permitted under this Contract shall be given in writing and mailed by registered or certified first class mail, postage prepaid, and addressed as follows:

If to the City Detroit Municipal Parking Department
1600 W Lafayette Blvd
Detroit, Michigan 48216
Attn: Director Keith Hutchings

If to the City of Detroit Building Authority
Authority: 1301 Third Street, Suite 328
Detroit, Michigan 48226
Attention: Tyrone Clifton, Director

With a copy to: The Allen Law Group, PC
3011 W. Grand Blvd., Suite 2500
Detroit, Michigan 48202
Attention: Floyd E. Allen, Esquire

ARTICLE XVI
Amendments

16.01. The City and the Authority may, from time to time, consider it in their best interest to change, modify or extend a term, condition or covenant of this Contract of Lease or require changes in the scope of the Project which result in an increase of the City's obligation hereunder. Any such change, addition, deletion, extension or modification, including any increase in the amount of the Authority's compensation, which is mutually agreed upon by and between the City and the Authority shall be incorporated in written amendments to this Contract of Lease ("Amendments"). Such Amendments shall not invalidate this Contract of Lease nor relieve or release the Authority or the City from any of its obligations under this Contract of Lease unless so stated therein.

16.02. No Amendment to this Contract of Lease which increases the financial obligation of the City as stated in Article X hereof shall be effective and binding upon the parties unless it expressly makes reference to this Contract of Lease, is in writing, is signed and acknowledged by duly authorized representatives of both parties, and is approved by the City of Detroit City Council.

ARTICLE XVII
Additional Provisions

17.01. The Authority covenants that the City, subject to the residual leasehold interest retained by the Authority, shall and may peacefully and quietly have, hold and enjoy the Project for the term herein provided.

17.02. Nothing contained herein shall be construed to or be permitted to operate as any restriction upon the power granted to the City Council of the City of Detroit by the City Charter to audit and allow all accounts chargeable against the City.

17.03. This Contract shall inure to the benefit of and be binding upon the respective parties hereto and their successors and assigns.

17.04. This Contract contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any prior agreements, promises, negotiations or representations relating to the subject matter of this Contract which are not expressly set forth herein, are void.

17.05. If any provision or part of this Contract contravenes or is invalid under the laws of the State of Michigan and/or federal law, such contravention and invalidity shall not invalidate the whole of the Contract, and this Contract shall be construed as if it does not contain such provision or provisions, and the rights and obligations of the parties shall be construed and enforced accordingly.

17.06. The headings of the sections in this Contract are for convenience only and shall not be used to construe or interpret the scope or intent of the Contract or in any way affect the same.

17.07. This Contract shall be governed by the laws of the State of Michigan, and the rights and remedies set forth herein are not exclusive and are in addition to any of the rights and remedies provided at law or in equity.

17.08. The relationship of the Authority to the City is and shall continue to be that of an independent contractor. It is not intended for this Contract to create any relationship of principal and agent or establish any partnership, joint venture, association or other entity.

IN WITNESS WHEREOF, the CITY and the AUTHORITY, by and through their duly authorized officers and representatives have executed this instrument on the day and year first above written.

CITY OF DETROIT BUILDING AUTHORITY, a
public authority and body corporate

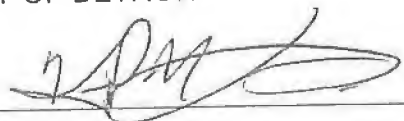
By: 
Bryan Barnhill, II

Its: Chairman

By: 
Christopher T. Jackson


Its: Treasurer

CITY OF DETROIT

By: 

Its: DIRECTOR

APPROVED AS TO FORM:


General Counsel, City of
Detroit Building Authority

APPROVED AS TO FORM:

6/21/19
Corporation Counsel for
the City of Detroit

This Contract of Lease was
approved by City Council:

On: 6/4/19
Date

Finance Department

No. _____ Date _____

I hereby certify that an
appropriation has been
made to cover the
expense to be incurred
under this Contract.

Chief Accounting Officer

PURCHASING DEPARTMENT OF
THE CITY OF DETROIT

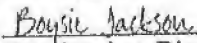
DocuSigned by: 6/24/2019

Purchasing Director

EXHIBIT A**Project and Project Site**

Funds encumbered by this Contract shall be used for capital improvements needed for the re-opening of the Joe Louis Arena Parking Garage located 900 W. Jefferson, Detroit, Michigan for the following services:

- Architectural/Engineering Services
- Construction Services
- Fixtures and Equipment Purchase and Installation



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY: 711
(313) 224-9400
WWW.DETROITMI.GOV

38

October 24, 2019

Honorable City Council

**RE: North End Village Limited Dividend Housing Association Limited Partnership – Payment
in Lieu of Taxes (PILOT)**

Avanath Affordable Housing IV, LLC, has assumed ownership of North End Village Limited Dividend Housing Association Limited Partnership in order to develop the Project known as North End Village. The Project is an existing fifty (50) family unit complex located in four (4) 2-story buildings in an area bounded by Alger on the north, Cameron on the east, Hague on the south and Oakland on the west.

The in-place renovation Project will include thirty-four (34) 2 bedroom/1 bath and sixteen (16) 3 bedroom/2 bath apartments.

CBRE Multifamily Capital, Inc. will provide a 10-year acquisition loan insured by Fannie Mae in the amount of \$1,236,000.

This development will continue to rent to households with incomes not less than thirty percent (30%) of the area median income ("AMI") and no greater than sixty percent (60%) of the AMI. Eighteen (18) of the units are occupied by households at thirty percent (30%) of the AMI. Twenty-five (25) of the units are occupied by households at forty percent (40%) of the AMI. The remaining seven (7) units are occupied by households at sixty percent (60%) of the AMI. All fifty (50) units will be subject to the PILOT based on Section 15a of the State Housing Development Authority Act of 1966, as amended.

In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A).

Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of four percent (4%) of the annual net shelter rent obtained from this housing project.

Respectfully submitted,

Alvin Horhn

Deputy CFO/Assessor

Attachment

JB/jb



BY COUNCIL MEMBER _____

WHEREAS, pursuant to the provisions of the Michigan State Housing Development Act, Act 346 of the Public Acts of 1966, as amended, being MCL 125.1401 se seq. (the “Act”), a request for exemption from property taxes has been received on behalf of Avanath Affordable Housing IV, LLC, (the “Sponsor”); and

WHEREAS, a housing project as defined in the Act is eligible for exemption from property taxes under Section 15a of the Act (MCL 125.1415a) if the Michigan State Housing Development Authority (“MSHDA”) provides funding for the housing project, or if the housing project is funded with a federally-aided mortgage as determined by MSHDA; and

WHEREAS, Section 15a of the Act (MCL 125.1415a) provides that the local legislative body may establish by ordinance the service charge to be paid in lieu of taxes, commonly known as a PILOT; and

WHEREAS, the City of Detroit has adopted Ordinance 9-90, as amended, being Sections 18-9-10 through 18-9-16 of the Detroit City Code to provide for the exemption from property taxes of eligible housing projects and to provide for the amount of the PILOT for said housing projects to be established by resolutions of the Detroit City Council after review and report by the Board of Assessors; and

WHEREAS, the Sponsor is proposing to undertake the renovation of an existing housing project to be known as North End Village consisting of fifty (50) units in four (4) buildings located on a parcel of property owned or to be acquired by the Sponsor as described by street address and tax parcel in Exhibit A to this resolution, with all fifty (50) units for low and moderate income housing (the “Project”); and

WHEREAS, the purpose of the Project is to serve low to moderate income persons as defined by Section 15a(7) of the Act, being MCL 125.1415a(7); and

WHEREAS, MSHDA has provided notice to the Sponsor that it intends to approve federal-aided financing for the Project, provided that the Detroit City Council adopts a resolution establishing the PILOT for the Project; and

WHEREAS, pursuant to Section 15a of the Act, being MCL 125.1415a(1), the tax exemption is not effective until the Sponsors first obtain MSHDA certification that the housing project is eligible for exemption, and files an affidavit, as so certified by MSHDA, with the Board of Assessors; and



WHEREAS, pursuant to Section 18-9-13(G) of the Detroit City Code, the tax exemption shall be effective on adoption, with the tax exemption and PILOT payment to occur only upon bona fide use and physical occupancy by persons and families eligible to move into the project, in accordance with the Act, which must occur as of December 31 of the year preceding the tax year in which the exemption is to begin;

NOW, THEREFORE, BE IT

RESOLVED, that in accordance with City Code Section 18-9-13, the Project known as North End Village as described above is entitled to be exempt from taxation but subject to the provisions of a service charge of four percent (4%) for payment in lieu of taxes as set forth in Act No. 346 of the Public Acts of 1966, as amended, being MCL 125.1401, et seq.; and be it further

RESOLVED, that arrangements to have collections of a payment in lieu of taxes from the Sponsor be established upon occupancy for future years with respect to the same be prepared by the Office of the Chief Financial Officer; and be it further

RESOLVED, that specific legal description for the Project shall be as set forth in the certification from MSHDA; and be it further

RESOLVED, that in accordance with Section 15a(3) of the Act, MCL 125.1415a(3), the exemption from taxation shall remain in effect for as long as the MSHDA-aided or Federally-aided financing is in effect, but not longer than fifty (50) years, and shall terminate upon the determination by the Board of Assessors that the Project is no longer eligible for the exemptions; and be it further

RESOLVED, that the City Clerk furnish the Office of the Chief Financial Officer – Office of the Assessor two certified copies of this resolution; and be it further

RESOLVED, that this resolution is adopted with a waiver of reconsideration.

CITY CLERK 10/24/2019 5:00 PM



EXHIBIT A

North End Village Limited Dividend Housing Association Limited Partnership

The following real property situated in Detroit, Wayne County, Michigan:

S ALGER 1 THRU 10 HANNANS SUB L24 P5 PLATS, W C R 5/111 7 THRU 12 HANNANS SUB L26 P46 PLATS, W C R 5/110 13 THRU 30 AND VAC ALLEYS LYG BETW SAID LOTS DARMSTAETTERS SUB L26 P51 PLATS, W C R 5/109 490.70 x IRREG

Tax Parcel No. Ward 05, item 002902

Property Address: 1000 Alger



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE SUITE 808
DETROIT, MICHIGAN 48226
(313) 224-1339 • TTY: 711
(313) 224-1310
WWW.DETROITMI.GOV



November 05, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Cancellation of Prior Property Sale / Approval of New Property Sales
Brush Park South Development Project**

Honorable City Council:

On September 13, 2016 and November 13, 2018, your Honorable Body adopted resolutions approving the sale of approximately twenty (20) properties within the general boundaries of John R., Division, Brush, Winder and the Chrysler Service Drive (the "Properties") to Brush Park South Owner LLC, a Michigan limited liability company, for the purchase price of Six Hundred Sixty-Three Thousand Two Hundred One and 00/100 Dollars (\$663,201.00) ("Purchase Price"), less any approved credits of up to Four Hundred Thousand and 00/100 Dollars (\$400,000.00) for certain softs costs related to getting the project initiated (together the "Prior Resolutions"). Due to complications in financing the proposed three-phase project and higher than anticipated pre-development, environmental and construction costs related to the project, the sale of the Properties cannot close and the City now wishes to cancel the original sale in place of several smaller-scale projects.

The first of these smaller-scale projects is the proposed sale of 251 and 257 Adelaide and 2621 Brush (the "A1 Properties") to SB Brush Park South LLC for the purchase price of One Hundred Thirty Three Thousand Seven Hundred Forty Five and 00/100 Dollars (\$133,745.00) (the "A1 Purchase Price"). SB Brush Park South LLC proposes to construct a mixed-use residential development on the A1 Properties consistent with the current PD-H (Planned Historic District) zoning.

The second smaller-scale project is the proposed sale of 2476 and 2490 Brush, 2457, 2473, 2481 and 2487 Beaubien, 396, 406, 416 and 426 Winder, Detroit, MI (collectively the "EOB Properties") to RCM Brush Park South LLC for the purchase price of Ninety Eight Thousand Two Hundred Sixty Nine and 00/100 Dollars (\$98,269.00) (the "EOB Purchase Price"). RCM Brush Park South LLC proposes to construct a mixed-use residential development on the EOB Properties consistent with the current PD-H (Planned Historic District) zoning.

The balance of Properties will be developed pursuant to a third proposed project that will be brought before your Honorable Body for approval in early 2020.

We hereby request that your Honorable Body adopt the attached resolution that: 1) terminates the Prior Resolutions and 2) authorizes the Director of P&DD, or his authorized designee, to execute quit claim deeds and such other documents as may be necessary or convenient to effect a transfer of the A1 Properties by the City to SB Brush Park South LLC for the A1 Purchase Price and to effect transfer of the EOB Properties by the City to RCM Brush Park South LLC for the EOB Purchase Price.

Respectfully submitted,

Katharine G. Trudeau
Deputy Director

cc: Stephanie Washington, Mayor's Office

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, on September 13, 2016 and November 13, 2018, Detroit City Council adopted those certain resolutions approving the sale of certain properties within the general boundaries of John R., Division, Brush, Winder and the Chrysler Service Drive to Brush Park South Owner LLC, a Michigan limited liability company, for the purchase price of Six Hundred Sixty-Three Thousand Two Hundred One and 00/100 Dollars (\$663,201.00), less any approved credits of up to Four Hundred Thousand and 00/100 Dollars (\$400,000.00) for certain soft costs related to getting the project initiated (the "Prior Resolutions"); and

WHEREAS, the City of Detroit ("City") now wishes to terminate the Prior Resolutions in favor of several smaller-scale projects to be constructed by several different developers; now therefore be it

RESOLVED, that the Prior Resolutions are hereby terminated, cancelled and shall be of no further force and effect; and be it further

RESOLVED, that Detroit City Council hereby approves the sale of certain real property at 251 and 257 Adelaide and 2621 Brush (collectively the "A1 Properties"), as more particularly described in the attached Exhibit A incorporated herein, to SB Brush Park South LLC ("SB Purchaser") for One Hundred Thirty Three Thousand Seven Hundred Forty Five and 00/100 Dollars (\$133,745.00) (the "A1 Purchase Price"); and be it further

RESOLVED, that Detroit City Council hereby approves the sale of certain real property at 2476 and 2490 Brush, 2457, 2473, 2481 and 2487 Beaubien, 396, 406, 416 and 426 Winder, Detroit, MI (collectively the "EOB Properties"), as more particularly described in the attached Exhibit B incorporated herein, to RCM Brush Park South LLC ("RCM Purchaser") for Ninety Eight Thousand Two Hundred Sixty Nine and 00/100 Dollars (\$98,269.00) (the "EOB Purchase Price"); and be it further

RESOLVED, that the Director of the Planning and Development Department ("P&DD"), or his authorized designee, is authorized to execute quit claim deeds and such other documents as may be necessary or convenient to effect the transfer of the A1 Properties to SB Purchaser and effect the transfer of the EOB Properties to RCM Purchaser consistent with this resolution; and be it further

RESOLVED, that the P&DD Director, or his authorized designee, is authorized to execute any required instruments to make and incorporate technical amendments or changes to the quit claim deeds (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the A1 Properties and/or EOB Properties, provided that the changes do not materially alter the substance or terms of the transfers and sales; and be it finally

RESOLVED, that the quit claim deeds and any purchase agreements and/or development agreements, if any, will be considered confirmed when executed by the P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibits A and B)

EXHIBIT A

LEGAL DESCRIPTIONS

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

PARCEL A (1.234 ACRE PARCEL ON NORTH SIDE OF ADELAIDE)

RECORD TITLE COMMITMENT DESCRIPTIONS

251 ADELAIDE STREET

WARD 01, ITEM 000632

LOTS 4 THROUGH 6, BOTH INCLUSIVE, BLOCK 3, AND THE SOUTH 10 FEET OF THE VACATED ADJACENT ALLEY, OF BRUSH SUBDIVISION OF PARK LOT 10, PART OF 11 AND BRUSH FARM, ADJOINING IN REAR, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 1 OF PLATS, PAGE 152, WAYNE COUNTY RECORDS.

257 ADELAIDE STREET

WARD 01, ITEM 000633-4

LOTS 2 AND 3, BLOCK 3, AND THE SOUTH 10 FEET OF THE VACATED ADJACENT ALLEY, OF BRUSH SUBDIVISION OF PART LOT 10, PART OF 11 AND BRUSH FARM, ADJOINING IN REAR, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 1 OF PLATS, PAGE 152, WAYNE COUNTY RECORDS.

2621 BRUSH STREET

WARD 01, ITEM 000635-8

LOT 1, BLOCK 3, AND THE SOUTH 10 FEET OF THE VACATED ADJACENT ALLEY, OF BRUSH SUBDIVISION OF PARK LOT 10, PART OF 11 AND BRUSH FARM, ADJOINING IN REAR, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 1 OF PLATS, PAGE 152, WAYNE COUNTY RECORDS.

PARCEL A COMBINED AS-SURVEYED DESCRIPTION

ALL OF LOTS 1 THROUGH 6 INCLUSIVE OF BLOCK 3, AND THE SOUTH 10 FEET OF THE VACATED ADJACENT ALLEY, OF BRUSH SUBDIVISION OF PARK LOT 10, PART OF 11 AND BRUSH FARM, ADJOINING IN REAR, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 1 OF PLATS, PAGE 152, WAYNE COUNTY RECORDS. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF BRUSH STREET (60 FEET WIDE) AND THE NORTH LINE OF ADELAIDE STREET (60 FEET WIDE), BEING ALSO THE SOUTHEAST CORNER OF LOT 1; THENCE S59°16'09"W, 316.60 FEET ALONG THE NORTH LINE OF SAID ADELAIDE STREET TO THE SOUTHWEST CORNER OF LOT 6; THENCE N30°50'35"W, 166.89 FEET ALONG THE WEST LINE OF SAID LOT 6 TO THE NORTHWEST CORNER OF LOT 6 ON THE SOUTH LINE OF A PUBLIC ALLEY (20 FEET WIDE); THENCE N59°16'09"E, 327.59 FEET ALONG SAID SOUTH ALLEY LINE TO THE NORTHEAST CORNER OF LOT 1 ON THE WEST LINE OF BRUSH STREET; THENCE S27°04'30"E, 167.23 FEET ALONG THE WEST LINE OF BRUSH STREET TO THE POINT OF BEGINNING AND CONTAINING 1.234 ACRES

EXHIBIT B

LEGAL DESCRIPTIONS

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

396 WINDER STREET

WARD 01, ITEM 000562-3

THE WEST 29.50 FEET OF LOT 17, OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.

406 WINDER STREET

WARD 01, ITEM 000561

THE WEST 9.67 FEET OF LOT 16 AND THE EAST 9.83 FEET OF LOT 17, OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.

416 WINDER STREET

WARD 01, ITEM 000560

THE WEST 9.83 FEET OF LOT 15 AND THE EAST 19.66 FEET OF LOT 16, OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.

426 WINDER STREET

WARD 01, ITEM 000559

THE EAST 29.50 FEET OF LOT 15, OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.

2457 BEAUBIEN STREET

WARD 01, ITEM 003770-1

LOTS 10 AND 11, OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.

EXCEPT: LAND IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN BEING PART OF LOTS 10 AND 11 AND VACATED ALLEY ADJOINING SAID LOT 10 "CRANE AND WESSON'S PLAT OF THE SUBDIVISION OF OUTLOTS NOS. 176 & 178 LAMBERT BEAUBIEN FARM" AS RECORDED IN LIBER 37, PAGE 488 OF DEEDS, WAYNE COUNTY RECORDS; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHEAST CORNER OF LOT 14 OF THE AFOREMENTIONED "CRANE AND WESSON'S SUBDIVISION"; THENCE S27°04'30"E ALONG THE WESTERLY LINE OF BEAUBIEN STREET, 40 FEET WIDE, 146.47 FEET TO THE POINT OF BEGINNING; THENCE S27°04'30"E CONTINUING ALONG THE WESTERLY LINE OF BEAUBIEN STREET, 45.00 FEET; THENCE S62°51'26"W ALONG THE SOUTHERLY LINE OF SAID LOT 10 OF THE AFOREMENTIONED "CRANE AND WESSON'S SUBDIVISION" 97.00 FEET; THENCE N37°58'55"E 106.98 FEET TO THE POINT OF BEGINNING.

2476 BRUSH STREET

WARD 01, ITEM 003804

THE NORTH 47.5 FEET OF LOT LAND THE SOUTH 47.5 FEET OF LOT 2, BLOCK B, OF BRUSH SUBDIVISION OF THAT PART OF THE BRUSH FARM LYING EAST OF AND ADJOINING PARK LOTS 6, 7, 8 AND 9, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 1 OF PLATS, PAGE 118, WAYNE COUNTY RECORDS.

2490 BRUSH STREET

WARD 01, ITEM 003805

E BRUSH N 47 5 FT OF 2BLK B BRUSH SUB L1 P118 PLATS, WCR 1/35 47 5 X 90.66

2473 BEAUBIEN STREET

WARD 01, ITEM 003769

LOT 12, OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.

2481 BEAUBIEN STREET

WARD 01, ITEM 003768

LOT 13, OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.

2487 BEAUBIEN STREET

WARD 01, ITEM 003767

LOT 14 OF CRANE & WESSON'S PLAT OF THE SUBDIVISION OF OUTLOT NOS 176 & 178 LAMBERT BEAUBIEN FARM, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 37 OF DEEDS, PAGE 488, WAYNE COUNTY RECORDS.



City of Detroit

CITY COUNCIL

CITY CLERK 2019 NOV 5 PM 3:05

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MARY SHEFFIELD
COUNCIL PRESIDENT PRO TEMPORE
DISTRICT 5

MEMORANDUM

TO: Arthur Jemison, Group Executive, Housing, Planning and Development
FROM: Council President Pro Tempore Mary Sheffield, Chair, Neighborhoods and Community Services Committee *MS*
THRU: James Tate, Chair, Planning and Economic Development Committee
DATE: November 5, 2019
RE: Team Wellness Center Issues

Recently several homeless service providers and substance use organizations have opened or are scheduled to open in the North Gratiot area, leading to some resident concerns. Specifically, my office has received numerous reports of loitering, drug use, and crime near the substance use treatment center Team Wellness at 6309 Mt. Mack Avenue. Please provide a report detailing:

- Is Team Wellness permitted to operate the Mack facility?
- Were they required to pull permits or licenses to operate?
- What is Team Wellness doing to address the residents' concerns of crime and drugs proliferating near their facility?
- What ability does the City have to regulate Team Wellness?

Further, I am requesting that the Planning and Development Department and the Detroit Police Department, in conjunction with my office, meet with the McDougal Hunt neighborhood and other nearby community groups within the next 30 days to discuss the future land use plans for the area.

Thank you for your prompt response.

CC: Honorable Colleagues
City Clerk